

Joyoung 九阳

2022

Environmental,
Social and Governance
(ESG) Report

Joyoung Co., Ltd.



About the Report

The Reporting Period

This Report is the third ESG report issued by Joyoung Co., Ltd. for stakeholders. Its text and performance reviews mainly cover the period from January 1, 2022 to December 31, 2022, and some text and performance review may involve previous years or policies and practices of 2023.

Scope of the Report

The Report provides a comprehensive review on the environmental, social and governance impacts of Joyoung Co., Ltd. and its subsidiaries, with descriptions of typical cases occurring in these subsidiaries.

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 relevant financial statements, the financial statements shall prevail.

Company Name

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

Compilation Basis

- 2030 Sustainable Development Goals (SDGs) of the United Nations
- *Global Reporting Initiative Standards* (GRI Standards) of Commission on Sustainable Development
- Sustainability Accounting Standards Board Standards (SASB Standards)
- China National Standard *Guidance for Compilation of Social Responsibility Reports* (GB/T 36001-2015)
- *Guidance for the Compliance of Corporate Social Responsibility Reports in China* of the Chinese Academy of Social Sciences (CASS-CSR5.0)
- *Self-Regulatory Guidelines No. 1 for Listed Companies of Shenzhen Stock Exchange - Standardized Operation of Listed Companies on the Main Board*

Availability of the Report

The Report is in electronic form for your reading. You may log onto the Company's official website (<https://www.joyoung.com>) or [cninf \(www.cninfo.com.cn\)](http://www.cninfo.com.cn) to read the electronic version of the Report. In the event that you have any questions or suggestions about this Report, you may send an email to 002242@joyoung.com, or call at 0571-81639093.

Contents

Message From Chairman 02

Key Performance 03

Features 04

Space Science and Technology for Better Quality of Life 04

Joyoung Charity Kitchen for the Health of Rural Children 08

Joyoung Food Education Workshop for Nutrition and Health Education 10

Steady and Sustainable Development Guaranteed by Sound Governance

Corporate Governance and Information Disclosure 22

Investor Relations Management 23

Risk Management and Internal Control 23

Intellectual Property Protection 24

Information Security Management 24

Business Ethics and Anti-Fraud 25

Shared Responsibility and Win-Win Cooperation

Supply Chain Responsibility Management 40

Common Progress of the Industry 42

Industry-University-Research Cooperation 43

Low-Carbon Development for Our Planet

Environmental Management System 58

Emphasis on Energy Efficiency and Carbon Reduction 60

Index of Indicators 68

Reader Feedback Form 72

About Joyoung 14

Company Profile 14

Corporate Culture 15

Company Events 16

Honors 17

ESG Management 18

Product Responsibility and Innovation

Innovation-Driven Development 28

Product Quality Assurance 31

Customer Experience Optimization 33

Responsible Marketing Strategies 37

Employee Empowerment and Joint Growth

Recruiting Compliance 46

Employee Development 48

Safety and Health 52

Employee Care 55

Love for People and Charity for Public Benefit

Public Benefit Activities Facilitating Rural Revitalization 64

Independent Assurance and Statement of Opinion 70

Message From Chairman

In 2022, when the domestic economy faced downward pressure due to the influence of multiple uncontrollable factors at home and abroad, China still achieved a 3% annual GDP growth. With its GDP exceeding RMB 120 trillion Yuan, China became the only major economy that achieved positive growth in the world. The year 2022 is destined to be an extraordinary year in the history of China and the CPC: The 20th National Congress of the CPC was convened to draw up a grand blueprint for comprehensively building a modern socialist country; Thanks to the strong leadership of the CPC Central Committee with General Secretary Xi Jinping at the core, the people of all ethnic groups across China rose up to the challenges brought by the complex and unpredictable international situation and arduous domestic tasks of continuing reform and development and maintaining stability, keeping steady economic growth and making great progress in our reform and opening-up and socialist modernization endeavors.

Facing all kinds of challenges and opportunities at home and abroad, Joyoung continuously focuses on its main business, constantly pursues innovation, and actively undertakes social responsibilities, striving to create a win-win situation for our consumers, investors, and partners and see that we take firm steps together towards a better, sustainable future.

Joyoung hails the year 2022 as the start of its space science and technology era. While working hard to improve the quality of water and food in the "Space Kitchen" for astronauts on China's space station, Joyoung vigorously promoted the research and development of its space technology series products, such as high-speed blenders with zinc oxide antibacterial coating, air fryers featuring three-dimensional hot air circulation heating technology and allowing users to cook food without flipping it, zero-coating rice cookers boasting water-moistening film technology, water purifiers with antibacterial, purification and heating functions, and Damowang wear-resistant and non-stick frying pans. Such effort has remarkably increased our brand influence and upgraded our products technologically.

Over the years, Joyoung has always regarded health and innovation as the essence of its brand and insisted on investment in and exploration into technological innovation, intellectual property protection, and supply chain upgrade. In 2022, the Company's R&D investment reached RMB 390.1305 million Yuan, an increase of 9.2% year-on-year. Apart from this, we have also stepped up our efforts to build an innovation platform and embraced digital and intelligent technologies to facilitate product development and upgrading and intellectual property protection management. Through continuous technology and product innovation, efficient digitized user communication and product launching, and timely and accurate marketing strategies, we have been able to discover new market demands in time and respond quickly, remaining a leading brand in this industry.

Joyoung has always been practicing the brand concept of "enjoying health", continuously exploring and amplifying the synergistic value of the Joyoung brand and the Shark brand, and keeps producing high-quality satisfactory products to meet the needs of different users for different scenarios. In this way, we have achieved an increase in product value and brand value and steady growth in our market share. Our products cover a wide range of categories, including kitchen appliances, cleaning appliances, and many other household appliances that help to safeguard healthy food and lifestyle. This not only reflects our strength of product development and technological innovation, but also embodies our insistence on the essence of our brand: "health" and "innovation". We work arduously to meet the people's yearning for a better life.



Joyoung perseveres in its corporate social responsibility and works with its partners to run a series of innovative public benefit programs such as "Joyoung Charity Kitchen" and "Joyoung Food and Education Workshop". We respond to the call of the times and shoulder our social Responsibility of making our contributions to the public benefit programs aimed to improve youth nutrition and health, education and boost rural revitalization. Up to now, we have built 1,000-plus Joyoung Charity Kitchens that offer meals for over 500,000 rural children every day, and our Food and Education Workshops have facilitated the implementation of the state's "Healthy China" and "Labor Education" policies. We are still working with schools to explore a new sustainable model of Food and Education programs. In 2022, the total amount of public benefit investment made by Joyoung reached RMB 7.5581 million Yuan. As of the end of 2022, donations made by Joyoung to public benefit undertakings have exceeded RMB100.783 million Yuan. As a leading brand in the industry, Joyoung will continuously strive to create value for society and advocate the Joyoung concept of "enjoying health".

Joyoung faithfully pursues green sustainable development and is committed to establishing itself as a positive, healthy, high-value-added, green and environmentally friendly home appliance brand. We will never slacken our efforts in the drive to ensure an environmentally friendly, green production environment. For years, we have constantly optimized our environmental management, strictly abide by environmental laws and regulations, and tried our best to minimize the impact of production and operation on the environment. We have launched our "trade-in" service, encouraging consumers to return small household appliances of any brand to Joyoung for recycling and subsidizing the purchase of our new products to promote the green and healthy development of the household appliance industry. We have exerted efforts to promote a green, low-carbon workplace and lifestyle, offering an intelligent paperless workplace. We practice green procurement and continuously contribute to the proper response to global climate change and the achievement of China's dual carbon goals, namely the national goal of reaching peak carbon emissions before 2030 and that of achieving carbon neutrality before 2060.

With the joint efforts of all employees, Joyoung made significant achievements in ensuring stable corporate governance, creating social value, implementing green development in 2022. Now, we boast hundreds of millions of home and kitchen products providing convenience for families, 1,000-plus Charity Kitchens offering meals to more than 500,000 rural children every day, and a high-tech Space Kitchen ensuring the food and water quality for astronauts at China's space station. In the future, we will continue to expand and strengthen the brand asset value of "family kitchen" + "charity kitchen" + "space kitchen", become a leading home appliance brand featuring "innovation" and "health" across the globe, and make an earnest endeavor to satisfy consumers' pursuit and yearning for a high-quality life experience.



Key Performance

Type	Indicator	Unit	2020	2021	2022
 Business Performance	Operating revenue	RMB 0'000	1,122,375	1,054,047	1,017,669
	Income from continuing operations	RMB 0'000	91,631	70,131	52,251
	Total tax payment	RMB 0'000	49,153	34,288	50,563
	Total cash dividends (tax-inclusive)	RMB 0'000	76,703	76,702	61,041
	Cash dividend for every 10 shares	RMB	10	10	8
	Customer complaint handling rate	%	100	100	100
	Customer satisfaction degree	%	96.7	96.5	97.4
 Environmental Performance	Power consumption intensity (power consumption per RMB ten thousand Yuan of revenues)	Kwh/RMB 0'000	11.30	10.66	12.43
	Water consumption intensity (water consumption per RMB ten thousand Yuan of revenues)	t/RMB 0'000	0.16	0.18	0.20
 Social Performance	Number of employees	Person	2,846	2,915	2,832
	Proportion of female employees	%	33	35	37
	Employee training coverage	%	95.57	100	100
	Public benefit expenditure	RMB 0'000	823.4	1,083.1	755.8
	Total number of employees participating in volunteer activities	Person	445	409	382

Space Science and Technology for Better Quality of Life

Since 2014, Joyoung has officially become the development unit of China's manned space kitchen, undertaking China's space kitchen project. The development of manned spaceflight is of extraordinary significance to the country, the nation and even all mankind. China's manned space program will greatly improve our country's science and technology level and occupy the forefront of the world's high technology, enhancing the pride, self-confidence and cohesion of the Chinese nation. As a private enterprise, Joyoung's participation in the national manned space program is not only a high-tech research project, but also a heavy responsibility. Joyoung is committed to contributing to this common theme of mankind and helping the manned space program to cross a new milestone.

Joyoung Space Kitchen project is an important part of the life support system for the astronauts on the space station. To meet their needs for food and water, we have solved a series of problems in the extreme and harsh outer space environment characterised by "vacuum, weightlessness and no convection" through independent innovative technology, solves and meets the astronaut's dietary and water needs necessary for long-term life in the space environment, guarantees their basic physiological needs, and provides strong protection for the astronauts to carry out long-term missions in the space station smoothly.

In 2022, the second set of space kitchen equipment produced by Joyoung will again be installed on the Chinese space station. Joyoung space kitchen technology continues to assist the astronauts' life support system, safeguarding the astronauts' daily life in space.



Shenzhou 13 astronaut Wang Yaping introduces the water distribution system of the space kitchen (up)

Wang Yaping introduces the hot-air heating device of the space kitchen (down)



Space Kitchen

By the end of 2022, Joyoung has 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 uses Joyoung's innovative 360° hot-air-circulation heating technology to solve the problem of slow and uneven heating in space, which takes only 30 minutes to heat a delicious dish such as Fish-Flavored Meat 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. Joyoung Space Kitchen allows astronauts to enjoy purified warm water and warm meals in space.



Space Technology Product Series

Joyoung not only uses the above-mentioned technology to serve the astronauts in space but also applies them to the upgrading of its small household appliances. In 2022, the Company's main products become the "Space Technology" Series products in which the 360° hot-air-circulation heating technology and zinc oxide bacteriostatic material are applied to the new product, such as the air fryer, high speed blender, rice-cooker, water purifier, and other cookware. In this way, we enable our customers to enjoy an aerospace-quality healthy life at home and continuously meet their need for a healthy, beautiful, and high-quality life.

Non-Flipping Air Fryer Featuring 360° Hot-Air-Circulation Heating Function

Supporting by space technology & three-dimensional hot air circulation heating technology, and then matching the carbon fiber heating tube, it can be evenly heated without turning the ingredients, while equipped with space technology & zinc oxide antibacterial technology, zinc oxide whisker antibacterial coating pot body, effectively inhibit the growth of bacteria.

The image shows a black, cylindrical non-flipping air fryer with a control panel on top. A blue circular callout identifies it as 'Non-Flipping Air Fryer Featuring 360° Hot-Air-Circulation Heating Function'.

High Speed Blender With Zinc Oxide Antibacterial Coating

Such a machine combines the space technology & zinc oxide antibacterial technology, and high-heat cleaning function + dry heat sterilization function, with sterilization rate up to 99.9 %.

High Speed
Blender With
Zinc Oxide
Antibacterial
Coating



Zero-Coating Rice Cooker Boasting Water-Moistening Film Technology

Such a rice cooker boasts the water-moistening film technology used in space: the precise temperature control of hot air and the utilization of the temperature differences create an even water-moistening film between the rice and the inner side of the cooker pot, which helps to cook the rice perfectly and prevents it from sticking to the pot.

Zero-Coating
Rice Cooker
Boasting Wa-
ter-Moistening
Film Technology



Rexiaojing Water Purifier With Antibacterial, Purification and Heating Functions

Such a water purifier realizes instant heating, providing warm water in a second. It is equipped with space technology & a swirling core and aerospace antibacterial filter element, which can effectively remove 70 kinds of harmful substances, with an antibacterial rate as high as 99.99%. The service life of the filter element can reach 1,000 days.



Damowang Wear-Resistant and Non-Stick Frying Pan

Such a pan is made with carbon crystallization chelating technology, which ensures wear resistance and non-stickiness and makes perfect stir-frying pans for Chinese cooking habits. It also has space technology & zinc oxide antibacterial coating and titanium ions, with an antibacterial rate as high as 99.99%.





Feature

02 Joyoung Charity Kitchen for the Health of Rural Children

Joyoung regards "health" as its core pursuit. For more than a decade, it has paid close attention to the nutrition and health of rural children in China, and actively fulfilled its social responsibilities. As early as 2010, Joyoung and China Youth Development Foundation jointly launched a public benefit and poverty-alleviation project named "Joyoung Charity Kitchen". Over more than a decade, Joyoung has funded the construction of a total of 1,357 charity kitchens in accordance with the national food hygiene requirements, providing teachers and students in underdeveloped rural areas a clean, healthy and safe dining environment and improving the nutrition of rural children.

Direct output: the kitchen facilities and equipment improved, the kitchen operation optimized, the kitchen work rate increased, and the energy consumption decreased.

Indirect output: the number of school meals increased, the structure of meals optimized, the cost of meals decreased, and students' safe drinking behavior improved.

Kitchen Construction

- Kitchen design + supporting equipment, the completion rate has above 93%.
- Disinfection cabinet, steamer, water purifier, etc. the utilization rate of the main equipment has above 90%.

Equipment Maintenance

- 80% of schools have the ability to repair the damaged equipment;
- 60% of kitchen managers have participated in relevant equipment training;
- More than 70% of the equipment maintenance is guaranteed to be completed within 48 hours.



Kitchen Operation

- 100% of schools have set up food hygiene leading institutions;
- 99.5% of schools have formulated accident handling plans;
- 94% of the project schools obtained health licenses.

Efficiency Improvement

- 97% of schools have improved the efficiency of meal preparation;
- The average production time of a meal has been shortened by nearly 30 minutes;
- The disinfection frequency of the kitchen tableware increased from 7 times each week to 9 times each week.
- The fuel cost per capita was reduced by 18%.

In 2020, with the establishment of Joyoung Foundation, Joyoung took a more active response to the national rural revitalization strategy, in the future, Joyoung and its founders will continue to invest no less than RMB 110 million to build no less than 1,000 more Joyoung charity kitchens.

Our Vision

- A nation will be strong only when its young people are strong. May Chinese teenagers grow up healthily and happily

Our Missions

- Promote the construction of professional, efficient, environmentally-friendly, electrified kitchens in rural schools
- Promote the establishment of a school meal mechanism offering balanced nutritious meals in rural schools
- Encourage children to eat healthily, cherish food, respect nature, and be grateful to society

The vision and missions of Joyoung Charity Kitchen



Joyoung Charity Kitchen Renovation Model

The old kitchen of the Baofeng Elementary School in Pingjiang County, Hunan Province (left) and the renovated kitchen (right)

The Joyoung Foundation plans to donate no less than RMB 110 million Yuan which will be used for funding the "Joyoung Charity Kitchen project". The project plans to select 100 schools in rural areas across the country every year, and invest RMB 30,000-150,000 Yuan in each school. Through the support of the design, re-innovation, equipment configuration, personnel training, etc., a professional, environmentally-friendly, efficient and standardized kitchen will be built to enable a school to provide healthy meals to its students and help them grow up healthily.



Five Joyoung Charity Kitchens in Jinxiuchuan Area Started Operation

In June 2022, Joyoung Charity Kitchens in five schools in Jinxiuchuan area started operation. As early as November 2021, Joyoung Foundation started conducting in-depth investigations into the primary schools and kindergartens in the Jinxiuchuan Dashuijing area. After understanding the real situation in the area, it chose to invest in Jinxiuchuan Dashuijing Primary School, Dashuijing Kindergarten, Jinxiuchuan Central Kindergarten, Xinanyu Primary School and Jinxiuchuan Middle School, offering them customized kitchen renovation plans and equipment configuration programs and implementing the plans.

At the ceremony celebrating the opening of the new kitchens, Huang Shuling, co-founder of Joyoung and co-initiator of Joyoung Foundation delivered a speech. In the speech, she emphasized that Joyoung, as an enterprise advocating a healthy lifestyle, shouldering social responsibility and caring for children, would follow up the operation of the Charity Kitchens, continuously pay attention to and devote itself to public benefit undertakings, and try its best to enable more Chinese children to enjoy healthy, hygienic, reassuring and nutritious school meals.



The ceremony celebrating the opening of Joyoung Charity Kitchens in five schools in Jinxiuchuan area



Key Performance

As of the end of December 2022, the Company has funded the construction of **1,357** Joyoung charity kitchens, benefiting more than **500,000** teachers and students every day;

In 2022, Joyoung made RMB **7.5581** million Yuan donations to public benefit projects, with its cumulative donations to public benefit undertakings reaching RMB **100.783** million Yuan.

Feature

03

Joyoung Food Education Workshop for Nutrition and Health Education

Apart from helping poor Chinese children to eat healthily and get enough nutrition, Joyoung also pays attention to children's food-education. "Joyoung Food-Education Workshop" is a project aimed to improve such education, which tries to give every child the ability to maintain lifelong health and enjoy a healthy life.

Food-Education Workshop activities are carried out at educational places equipped with certain kitchen appliances, offering nutrition and health education courses and embodying the learning-by-doing principle. They allow students to acquire knowledge about traditional food culture, health and nutrition, and develop good eating habits through cooking training. They also help them to form sound personalities through self-reflection and interaction with others, society, and nature.

In 2022, in response to the implementation of national policies such as "Healthy China" and "Labor Education", Joyoung Foundation and relevant schools explored a new model for the sustainable development of food education projects. With Food-Education Workshops at the core, more courses and teaching aids were developed, and teams of professional trainers were built. Joyoung Foundation has innovatively developed "space" food education courses, "A Journey to the Space Kitchen" and other activities to explore the integration of the "three kitchens".



In 2022

Joyoung funded the establishment of **66** Food-Education Workshops, increasing the total number of its Food-Education workshops to **200** and offering its food-education courses to nearly **190,000** students



In December 2022, Joyoung Foundation released the "Space Food Education" themed curriculum, inspired by the development of China's space technology and Joyoung's knowledge of the space kitchen (since 2013, Joyoung has successfully developed hot-air heating devices and water dispensers, securing astronauts to eat hot meals and drink clean water, and reserve meals through IoT control APP), desiring to aspire students' curiosity of the space and thinking about their daily food.



Joyoung Space-themed Food Education Curriculum



In November 2022, Joyoung and the Joyoung Foundation jointly held a science popularization activity themed "A Journey to the Space Kitchen", allowing students to not only experience the charm of modern technology, but also acquire basic knowledge about nutrition and the ability to maintain health.



Science popularization activity themed "A Journey to the Space Kitchen"





Joyoung's National Food Education Demonstration Base

In May 2022, Joyoung successfully made into the list of the third batch of "National Food and Nutrition Education Demonstration Bases", which was issued by the State Food and Nutrition Consultant Committee, and actively facilitated the implementation of the "Outline of the Program for Food and Nutrition Development in China" and "The Chinese National Nutrition Plan of Action".

It continuously enriched its food education resources and leveraged its professional knowledge in food preparation, nutrition, and food utensils to systematically upgrade its food education courses and educational activities, creating a total of 12 food education courses to share knowledge of nutrition and encourage healthy eating habits.

Themes
Kitchen Wisdom
Cultural Heritage on Dining Tables
Collision between Food and Fire
Agricultural Culture and Grains
Wise Choices of Plants
Water: the Source of Life
A War Caused by a Leaf
Chinese Drinks with a Long History
Dumplings for the Chinese New Year
Green Rice Balls During Tomb Sweeping Day
Rice Dumpling Wrapping in the Dragon Boat Festival
Mooncakes for the Mid-Autumn Festival



Joyoung Charity Food-Education Courses



Joyoung Food Education Workshop Classroom



Labor Education Through Joyoung Food-Education Workshop in Accordance with New Curriculum Standards

In 2022, the PRC Ministry of Education put forward new curriculum standards, emphasizing the importance of labor education and including food education contents such as those about cooking, nutrition, and agricultural activities. That is to say, the curriculum of Chinese compulsory education should include "food education" courses such as those about cooking.

Joyoung's upgraded Food-Education Workshop project is perfectly in harmony with such new requirements. In 2022, Joyoung offered "classroom design + teaching aids + food education curriculum + teaching empowerment" support through its Food and Education Workshop project to schools, helping them to quickly meet the food education standards for teaching places, courses, teaching aids, and teacher teams.

In addition, Joyoung has innovatively developed a "3 + X dynamic food education curriculum" which involves basic courses at three different levels, namely food cognition and basic cooking skills, food selection and creative cooking, and food design and meal planning, and thematic courses that allow students to choose according to their own preferences and involve knowledge teaching based on the integration of disciplines, regional food cultures, and other hot topics.

The relevant teaching PPT, lesson plans, videos, teaching aids, etc. are offered to the school for free, so that each student can have the chance to receive formal and systematic food education. Such efforts facilitate the implementation of the new curriculum standards and the policy of labor education.



Joyoung Food-Education Workshop Classroom



On-the-spot teaching of Joyoung Food-Education Workshop

About Joyoung

Company Profile

Joyoung is a modernized company dedicated to the R&D, production, and sales of small household appliances. In 1994, Joyoung invented the world's first soy milk maker. Over the past 29 years, Joyoung, as a leading brand of quality small home appliances, has been adhering to the core DNA of health and innovation, comprehensively promoting digital transformation, keeping being user-centered and demand-oriented, and grasping the dual-engine of products and channels. Joyoung has been proactively fulfilling its social responsibilities. In the past ten years, it has visited 27 provinces and regions and built 1,357 Joyoung Charity Kitchens, benefiting over half a million people each day. In 2020, the "Joyoung Foundation" was established, opening a new chapter of Joyoung's good cause.

The Company highlights its brand concept of "enjoying health" and refreshes its brand by catering to the needs of the younger generation through its self-developed innovative intelligent technologies. At present, Joyoung mainly covers products such as soybean milk makers, high speed blenders, rice cookers, air fryers, cookware, water purifiers, electric steamers, water boiling kettles, noodle makers, etc., and some of its core products continuously outshine their counterparts on the market.



Corporate 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 soybean milk 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.



Our 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.

Responsibility

Be a responsible enterprises and benefit society

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

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 co-operating with their team.

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



1994

Joyoung invented the world's first soy milk maker. The company started the business path with a cup of soy milk. Joyoung has made it easy for thousands of families to drink homemade cooked soy milk, creating an industry and a brand.

2008

Joyoung was successfully listed on the Shenzhen Stock Exchange.

2014

Joyoung's sales reached RMB 5.943 billion Yuan and the Company got its 100,000,000th soy milk maker customer.

2017

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

2020

Joyoung achieved sales of RMB 10 billion Yuan.

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.

2022

Together with the Wentian module, the second Joyoung-made "Space Kitchen" was installed in China's space station, offering services to more astronauts.



Honors



2022 Top 100 Most Competitive Electronic Information Enterprise



Top 100 Science & Technology Enterprise of China's Light Industry



Top 200 Enterprise of China Light Industry



2022 Red-Top Public Welfare Award



Bronze Award of The Governor's Cup Shandong Industrial Design Competition



2022(18th) China Household Appliances Innovation Award "2022 Most Influential Chinese Small Household Appliance Brand"



2022(18th) China Household Appliances Innovation Award "Product Innovation Award"

ESG Management

Joyoung regards "health and innovation" as the essence of its brand and embodies the concept of healthy, green, and sustainable development in its enterprise management activities. By creating an environmentally-friendly and green environment for production and operation activities, the Company constantly makes contributions to the response to global climate change and the achievement of dual carbon goals (the goal of reaching peak carbon emissions and achieving carbon neutrality). In addition, to ensure the healthy growth of teenagers, the realization of common prosperity of urban and rural areas, and the common development of enterprises and society, it keeps increasing its investment in public benefit projects that are aimed to improve the nutrition, health and education for teenagers and closely focuses on the core needs of consolidating the results of poverty eradication and rural revitalization. Joyoung remains committed to working together with all stakeholders to build a sustainable industrial ecology and pursue sustainable development.

Identification of Substantive Issues

In 2022, we identified 15 substantive issues that have a great impact on ourselves and our stakeholders, including green product research and development, customer and consumer rights protection, intellectual property protection, intelligent manufacturing and digitization, supply chain management, employee training and development, information security and privacy protection, resource conservation and renewable resource utilization, green workplace, business ethics and anti-corruption, carbon emission reduction, the development of an environmental management system, technology research and development and innovation, product quality and safety, and compliant operation. We will respond to these issues and disclose relevant information in this report.

Social Responsibilities

- Customer and consumer rights protection
- Intelligent manufacturing and digitization
- Supply chain management
- Employee training and development
- Technology research and development and innovation
- Product quality and safety



Governance Responsibilities

- Complaint operation
- Business ethics and anti-corruption
- Intellectual property protection
- Information security and privacy protection

Environmental Responsibilities

- Green product research and development
- Resource conservation and renewable resource utilization
- Green workplace
- Carbon emission reduction
- The development of an environmental management system

Stakeholder Communication

The Company attaches great importance to communication and exchange with internal and external stakeholders. By ensuring smooth and diversified communication channels, and maintaining close contact with stakeholders, we gain a deeper understanding of the demands and expectations of all stakeholders, strive for trust and support from all parties, and continuously improve the Company's ESG management work.

Stakeholders	Demands and Expectations	Communication and Response
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"> Operational compliance Improved risk management Regular and temporary information disclosures Zero tolerance for corruption Smooth investor communication channels
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 Regular and temporary information disclosure
Customers	<ul style="list-style-type: none"> High-quality products After-sale services Privacy protection 	<ul style="list-style-type: none"> Innovative R&D design Responsible marketing High-quality and efficient services Protection of customer privacy and security
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"> Protection of employee rights Transparent salary system Smooth promotion channels Sound democratic management Abundant care for employees
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
The Industry	<ul style="list-style-type: none"> Innovative development 	<ul style="list-style-type: none"> Participation in industry exchanges Industry-university-research cooperation
The Environment	<ul style="list-style-type: none"> Low-carbon operation Environmental action 	<ul style="list-style-type: none"> Environmental management Green workplace
Communities and the Public	<ul style="list-style-type: none"> Social welfare Rural revitalization 	<ul style="list-style-type: none"> Public benefit projects Volunteer activities



Steady and Sustainable Development Guaranteed by Sound Governance

Our Philosophy

Joyoung continuously improves its corporate governance capacity and strictly abides by laws, regulations and industry norms. It formulates and implements sound internal governance mechanisms and efficient management systems. It ensures smooth communication with investors and conducts timely disclosure of information to stakeholders. In addition, the Company also ensures stable and sustainable development through improved risk prevention and internal control measures, intellectual property protection and information security management.

Our Action

- Corporate Governance and Information Disclosure
- Investor Relations Management
- Risk Management and Internal Control
- Intellectual Property Protection
- Information Security Management

SDGs Benchmark





Corporate Governance and Information Disclosure

To safeguard the legitimate rights and interests of the Company, shareholders and creditors, and regulate the organization and conduct of the Company, Joyoung strictly abides by relevant laws and regulations such as the *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, and the *Code of Corporate Governance for Listed Companies*, and has established the general meeting of shareholders, the board of directors, the subordinate special committees, the board of supervisors and the management. In accordance with its actual development needs and requirements under regulatory authorities, it has established a multi-level management system based on the Articles of Association, which covers all aspects of its operation, ensures the continuous optimization of the corporate governance structure and the standardized operation of the Company, and effectively safeguard the rights and interests of the Company and all shareholders.

General Meeting of Shareholders

The Company regulates the convention, holding and voting procedures of the general meeting of shareholders strictly according to provisions and requirements of its *Articles of Association and Rules of Procedures for the General Meeting and Code of Conduct for Controlling Shareholders and Actual Controllers*, treats all shareholders equally, and effectively guarantees the rights and interests of small and medium shareholders.



In 2022

The Company held a total of **3** general meetings of shareholders

Board of Directors

The Company, strictly in accordance with relevant provisions and requirements of its *Articles of Association, Rules of Procedures for the Board of Directors and Working System for Independent Directors* and as guided by the general meeting of shareholders, regulates the convention, holding and voting procedures of the board of directors, and ensures that the directors can effectively exercise their powers. All the directors have worked strictly according to the regulations, attended the board of directors and the general meeting of shareholders conscientiously, and performed their duties diligently.



As of the end of 2022

The Company's board of directors consists of **3** directors and **3** independent directors, including **3** female directors

In 2022, the Company held a total of **7** board meetings

Board of Supervisors

The Company elects supervisors strictly according to relevant regulations such as its *Articles of Association and Rules of Procedures for the Board of Supervisors*, and supervises the performance of the duties by the directors and senior officers by formulating the *rules regarding the procedures of the board of supervisors*.



As of the end of 2022

The board of supervisors of the Company consists of **3** supervisors

In 2022, the Company held a total of **7** meetings of the board of supervisors

Information Disclosure

The Company conscientiously fulfills its information disclosure obligation, and disclose corporate information through the media designated by the China Securities Regulatory Commission and cninf (<http://www.cninfo.com.cn/new/index>) in a timely, true, accurate, complete and fair manner strictly according to relevant laws and regulations such as the *Securities Law of the People's Republic of China* and the *Information Disclosure Management System*.



In 2022

The Company issued **122** announcements to the public

Investor Relations Management

Joyoung keeps close communication with investors, keeps abreast of the expectations and requirements of the investors for the Company, and fully safeguards the legitimate rights and interests of the investors, especially small and medium investors. The Company provides abundant and convenient communication channels, communicates with the investors in good faith in a number of aspects through the "Hudongyi" platform (<http://irm.cninfo.com.cn/>) of Shenzhen Stock Exchange, our annual report online presentation, the investor relations interactive platform of Panorama Web (<https://www.p5w.net>), online and offline exchange meetings with analysts, investors' on-site research activities, institutional investors' reverse roadshows and other means, to establish and maintain good investor relations.

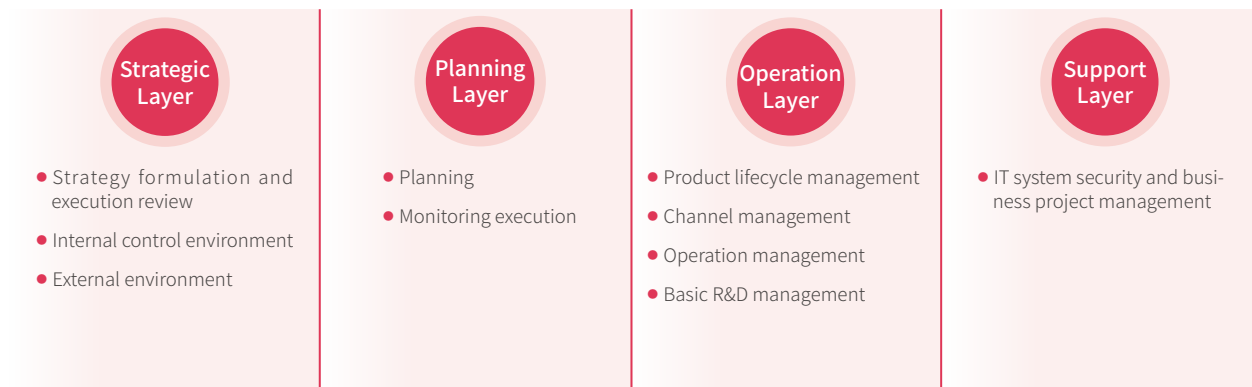


In 2022

The Company released a total of **5** investor records and answered **75** questions from the interactive platform

Risk Management and Internal Control

Joyoung attaches much importance to internal control and risk management, constructs a risk map framework to set up three lines of defense for risk management according to each organizational structure, formulates internal regulations such as *Internal Audit Control Procedures*, *Risks and Opportunities Control Procedures* and *Emergency Preparation and Response Control Procedures* and runs risk training courses, to standardize the risk management and control procedures.



Organizational structure of internal control responsibility

Intellectual Property Protection

Joyoung focuses on the quality of innovations and the protection of patents. As stipulated by the *Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China* and other laws and regulations, it has established a complete system for patent risk control and trademark protection, given patent protection for its core products, and carried out patent monitoring analysis and patent infringement investigation on competing products on a regular basis. Furthermore, Joyoung's patent administrators have organized patent training as needed by technical personnel in R&D, contract technology, industrial engineering and other sectors, to improve their awareness of intellectual property protection and enhance their patent writing and retrieval capabilities; in addition, the internal *Intellectual Property Management Rules* and *Outstanding Patent Reward Rules* have been formulated, for rewarding authorized patent inventors, and encouraging technicians to actively discover patentable points in their design and improvement work.



In 2022

The Company acquired **1,797** new patents

The total number of its patents reaching **11,648**

Information Security Management

Based on the philosophy of "reducing information risks and ensuring stable development of the Company's business", Joyoung never slackens its effort to ensure information security. To create a safe network environment, it 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*. It keeps improving its data security management system and fully implements information security protection measures.

To ensure the security and confidentiality of its information, the Company strengthens the information security awareness of its employees through thematic training. To this end, it regularly organizes employee information security training whose contents include but not limited to the risk of data leakage, the characteristics of network attacks and relevant preventive measures, password setting methods, the Company's confidentiality policies, etc. Through such training, the Company improves the information security literacy and skills of its employees and helps them to better understand the importance of information security avoid accidental information leakage and other risks, which helps to improve the Company's information security work and its stable and sustainable development.



Information security education and training

The Company adopts multiple data backup methods to ensure the reliability and integrity of its data backup, including real-time backup of important data, regular backup system, and backup data stored in multiple locations. The Company also regularly checks backup data to ensure that it can be quickly restored when needed. In addition, the Company has developed a professional data backup management team to supervise and ensure the implementation of the above-mentioned data backup methods and timely deal with problems and anomalies in the backup process. These methods of the Company ensure high-standard, high-quality data backup, which provides a reliable guarantee for its information security and sustainable and stable development.



Safety Reinforcement of Joyoung Aixiachu APP by Hired Network Technology Experts

The Company hired a professional third-party organization to carry out an iOS application security test and application security vulnerability test for Aixiachu APP. During the testing process, the third-party organization conducted a comprehensive in-depth scan of the application, discovered and reported potential security vulnerabilities and risks, which helped the Company to strengthen security measures in a timely manner and ensured the security and stability of the application. The Company will continue to pay attention to the security of the application and take effective measures in time to provide users with a high-quality, safe, and reliable application experience.



The Company hired a third party to reinforce its APP



In 2022

The Company issued **13** systematic test reports

7 vulnerability scanning reports

including **4** server scans

3 application scans

Business Ethics and Anti-Fraud

Joyoung attaches much importance to the improvement of its anti-corruption mechanism. It has formulated a series of internal regulations for this purpose such as *Anti-fraud Management Rules*, *Auditing Supervision Management Rules* and *Complaint and Suggestion Management Rules* and established various channels to accept complaints and suggestions from its employees, suppliers, distributors, consumers, etc. Through regular reviews of the implementation of business ethics, anti-corruption and anti-bribery rules, and training sessions on clean practice, it standardizes the professional conduct of its employees, highlights honesty and dedication, and prevents the occurrence of any damage to the interests of the Company and shareholders. These measures help to strengthen the Company's internal management, improve corporate conduct and reputation, and lay a solid foundation for the Company's sustainable development.



In 2022

The Company carried out **7** offline anti-corruption training sessions, covering more than **900** trainees

100% of its employees signed online to learn the integrity rules

8 articles about integrity such as Joyoung's Pursuit of Integrity were released through the WeChat official account "Honest Joyoung"



Product Responsibility and Innovation

Our Philosophy

Joyoung regards health and innovation as the essence of its brand and keeps making technological breakthroughs to satisfy people's yearning for a better life. In 2022, the Company innovated its products and services around customers' new needs, advocated a healthy lifestyle, and continuously improved quality and customer experience, creating healthy, convenient and high-quality diet solutions for customers. In the meantime, the Company adhered to responsible marketing strategies to enhance mutual trust and good relationship with customers.

Our Action

- Innovation-Driven Development
- Product Quality Assurance
- Customer Experience Optimization
- Responsible Marketing Strategies

SDGs Benchmark





Joyoung 九阳

Joyoung 九阳

Innovation-Driven Development

Joyoung always insists on innovation-driven development. In 2022, the Company made a lot of beneficial explorations: it renewed its incentive system of innovation, fueled its growth through digital and intelligent transformation, and stepped up its new material research and development, facilitating the application of sci-tech advances. It continuously improved customer experience, satisfied customer needs, and improved the health and hygiene standards of products, constantly increasing its brand value.



In 2022

The Company's total R&D investment reached RMB **390.1305** million Yuan, a year-on-year growth of **9.2%**.

The total number of R&D personnel reached **713**, a year-on-year increase of **13%**, and accounting for **25.18%** of the total number of employees.

Innovation Incentive Mechanism

In 2022, the Company continuously improved its innovation incentive mechanism such as its *Innovation Software Management System* and used TRIZ (theory of the resolution of invention-related tasks) theory and tools to continuously optimize its innovation platform and R&D review process. These efforts helped R&D departments to analyze and solve problems efficiently and produce optimal innovation solutions, systematically solved technical problems in R&D work, and facilitated new product development, product and process improvement, technical research and intellectual property protection management.



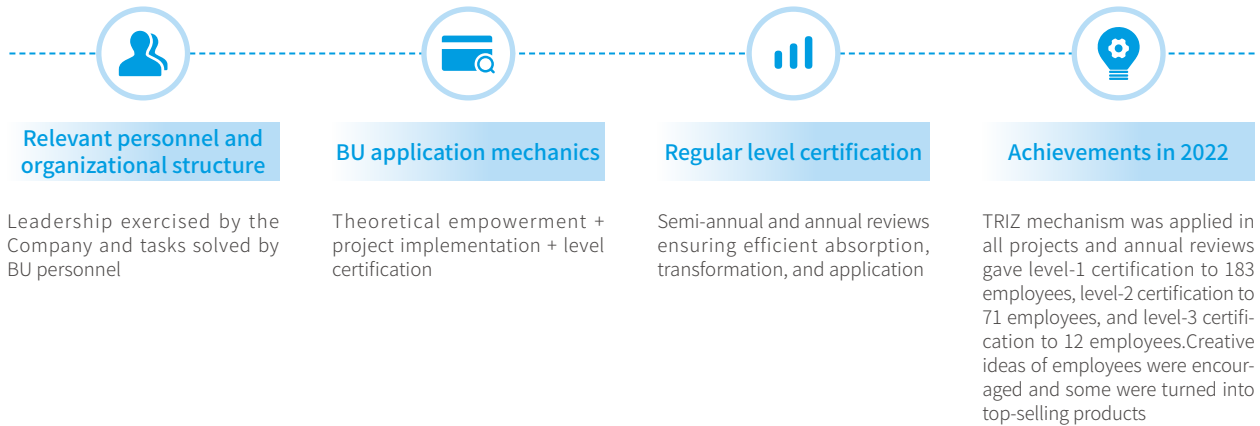
First prize of the Zhejiang division of 2022 China Innovation Methods Competition



In 2022

The Company obtained **1,797** new patents and **52** new copyrights, the number of trademarks and word registrations held increased by **240** year-on-year, and the number of its software patents increased by **21** year-on-year

The Company competed in the Zhejiang division of 2022 China Innovation Methods Competition, winning **1** first prize (selected for national competition), **2** third prizes, and **1** outstanding award



TRIZ Innovation Management Mechanism

Regularly-Held Internal Product Innovation Contests Increasing the Company's Creativity

Joyoung works hard to create an innovative atmosphere within itself. Apart from improving its innovation incentive mechanism, it regularly holds innovation activities and contests such as "Joyoung Innovation Day", "Tackling Key Problems in Product Innovation", "Product Innovation Contest", and "R&D Competition" as a way of excavating innovation potentials of employees, continuously enhancing the endogenous growth incentives of the Company, and facilitating the application of research results.



Joyoung Product Innovation Contest

Innovation Fueled by Digital and Intelligent Combination

In 2022, the Company upgraded its products and services with digital and intelligent technologies such as IoT, voice recognition and image recognition technologies, cloud computing, and intelligent sensing. These improvements further enhanced the quality of the Company's products, bettering their functions, and optimizing the customer experience, injecting new energy for the Company's long-term development and sustained growth.

Innovation Fueled by Digital and Intelligent Combination



- The application of 4G LTE wireless technology significantly improves customer experience (the success rate of connecting 83 % - > 99 %, the user connecting rate 32.3 % - > 62.6 %, and the software utilization rate 10.7 % - > 72.3 %), and makes up for the intelligent connection requirements of the Company's low-end products.

- Intelligent Sensing Technology helps the Company to realize the centralization of service capabilities, optimize the IOT3.0 system, and streamline communication protocols (TLS encryption protocol technology). The adoption of message-driven model and micro-service architecture expands and improves the load capacity and security.



- The integration of visual navigation technology, and sensors such as gyroscopes, odometers, wall sensors, etc. actualizes real-time positioning, global planning, intelligent obstacle avoidance, automatic recharge, power-off continuous scanning and other functions.

- The combination of natural language processing technology and knowledge graphs supports the rapid and deep understanding of massive product knowledge. Mobile-device voice recognition realizes human-machine dialogue without increasing hardware cost and the integration with the existing IOT system through the disassembly, combination and forwarding of instructions issued from the cloud. The accuracy rate of speech recognition is more than 95%, and the success rate of interaction is more than 85%. Personalized voice customization is realized, so that the machine can respond in the user's favorite voice and issue timely voice prompts, meeting the personalized needs of users.



- The application of the image recognition technology actualizes a comprehensive analysis and rapid processing of the scene: fast pruning and compression processing realized without harming accuracy or occupying extra memory and CPU resources for 4 scenes and 18 categories; dynamic machine optimization, test set recognition rate reaching 97% and dynamic test recognition rate reaching > 90 %; intelligent partition realized, including low object detection and other functions. The research on 3D-TOF technology greatly improves the progress of obstacle detection (1cm) and makes the sweeping robot more intelligent.
- In terms of industrial detection, industrial cameras are used to quickly check the cooking degrees of the potato strips for grade rankings. The replacement of manual labor has greatly improved the working efficiency by 8.5 times efficiency and the accuracy rate by 10 times.

Innovation in R&D

In 2022, the Company upgraded its existing products from the aspects of health, safety and quality through technology research and development, and gained market advantages by spotting and meeting the needs of customers, making a contribution to the progress of the entire industry.



2022 Product Upgrading Through the Development and Application of Space Antibacterial Materials and Graphene Materials

In 2022, the Company's R&D team developed antibacterial protection materials for drinking water channels of drinking water dispensers in space stations. Our modified zinc oxide antibacterial material has good antibacterial effect and durability, up to 99.99% antibacterial rate, and meets the antibacterial requirements for water distribution systems in space stations. The antibacterial function does not change the weight, appearance and performance of the original drinking water dispenser, while meeting the requirements of the astronauts' water hygiene and safety. We applied this technology to the home appliance and launched Space Rexiaojing series products in 2022, creating high-quality home appliances made with cutting-edge technologies for the people.

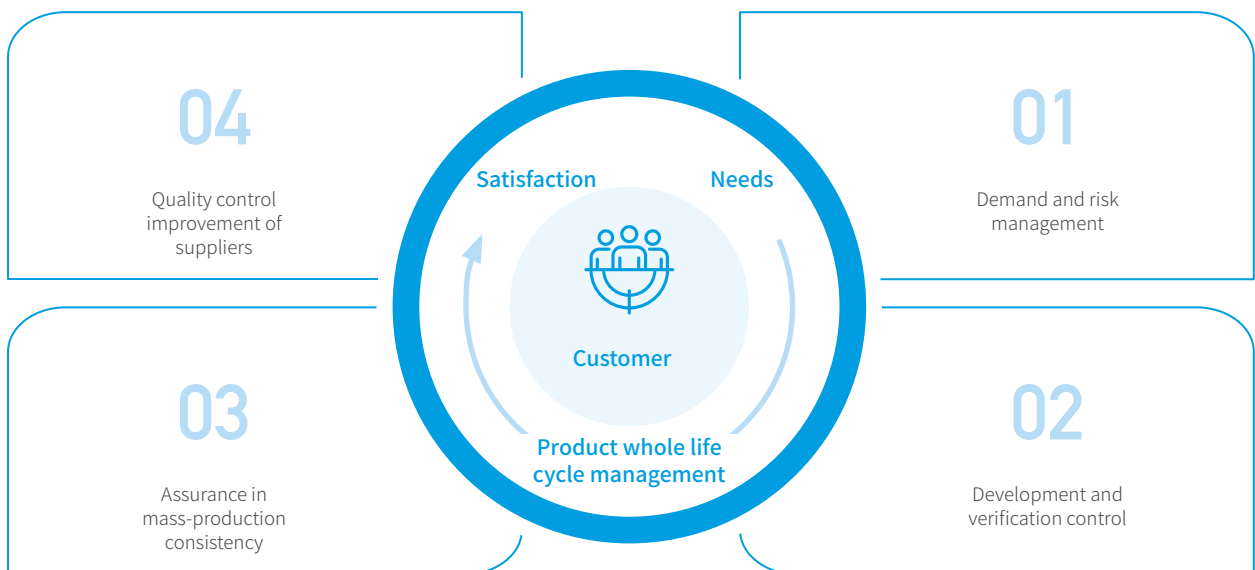
In addition, in 2022, the Company also carried out graphene materials research. This material can realize rapid heating, using only 1/2 of the heating time realized by metal pipes. In the meantime, the material has a luminous function, which means that cookers made with it often do not need to rely on light bulbs to realize the charcoal grilling effect. Products made with this material can achieve the goal of low-fat and healthy cooking, meeting the health needs of customers.

Product Quality Assurance

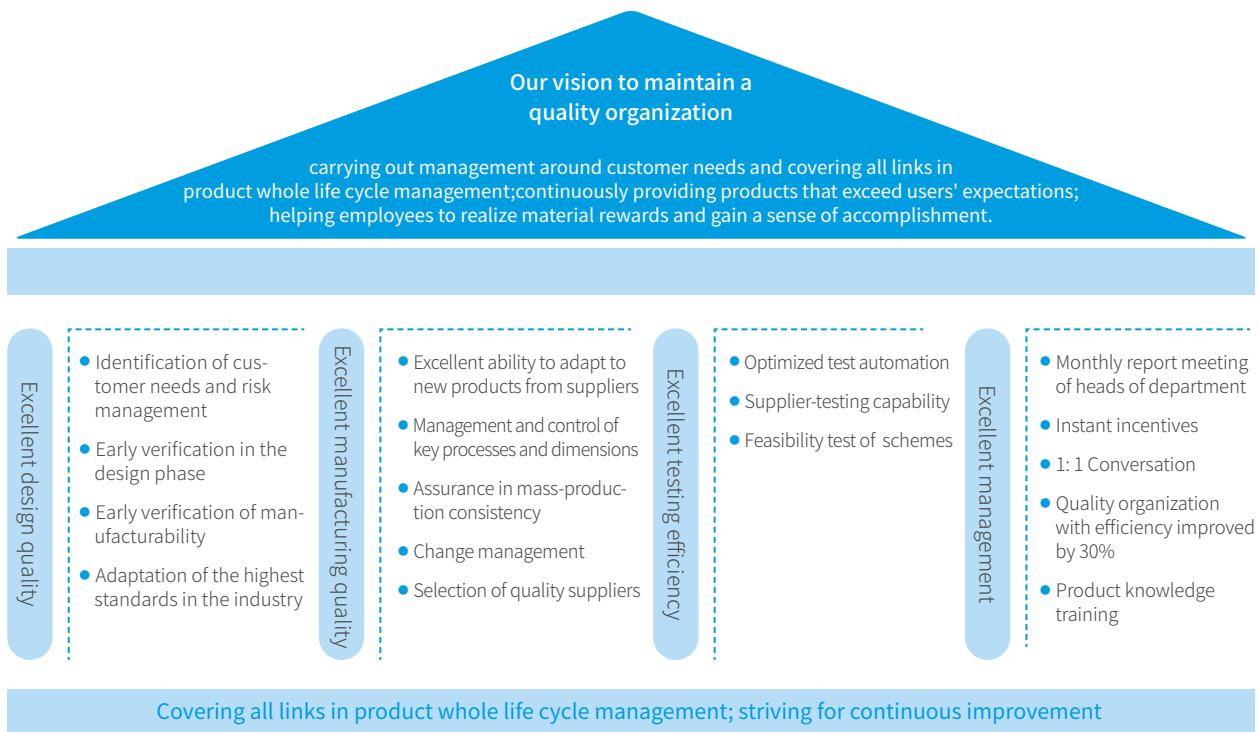
The Company carries out a quality management strategy of one center, one chain and four key points, i.e. customer-centered, whole life cycle management as a chain, implementation of four core management and four excellences, adherence to the quality culture of continuous improvement, and realization of customer demand to customer satisfaction. The Company meets the ISO9001 quality management system standards and pays attention to the special requirements of customers. It adopts process control, ensuring that all the standards are met and all requirements are satisfied. It enhances its quality management system through written regulations and documents such as management manuals, procedure documents, and other institutions stipulated by official documents. Such efforts guarantee compliance with laws and regulations and ensure customer satisfaction.



Joyoung acquired ISO Certificate 9001 for its quality management system.



Joyoung Quality Management Philosophy



The Four Strategies of Joyoung Quality Management

Product Control Process

Joyoung is committed to product innovation and optimization. It has established and regularly upgraded relevant internal control systems such as those stipulated by *Product Development IPD Process and GTM Process Management System*, utilizing IPD + GTM procedures to realize new product quality monitoring throughout the whole life cycle.

In addition, with the implementation of QMS and other management systems, the Company has begun its era of intelligent manufacturing management. It relies on digitalized management to realize high-quality production, exercises high-quality management throughout the whole life cycle of products, pays attention to process control in each link, and works hard to reduce product defect rate, improve pass rate and realize intelligent manufacturing.

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.



In 2022

The warranty-period repair rate decreased by **8.22%**,

compared with last year, the bad review rate decreased by **9.60%**

and the quality accident rate decreased by **30.10%**

Customer Experience Optimization

Joyoung focuses on building an after-sales service brand "Sunshine Service". It upholds "integrity, warmth, transparency, and happiness as its core service principle and practices "sunshine service and hearty service for 365 days". It is committed to building an omni-channel, excellent and high-efficiency service system to meet various new needs of loyal customers and the other involved products and channels. It provides satisfaction-oriented, flexible customer services and value-added services with industry influence as a way of satisfying the diversified needs of customers and establishing its high-quality service reputation in the small household appliance industry.





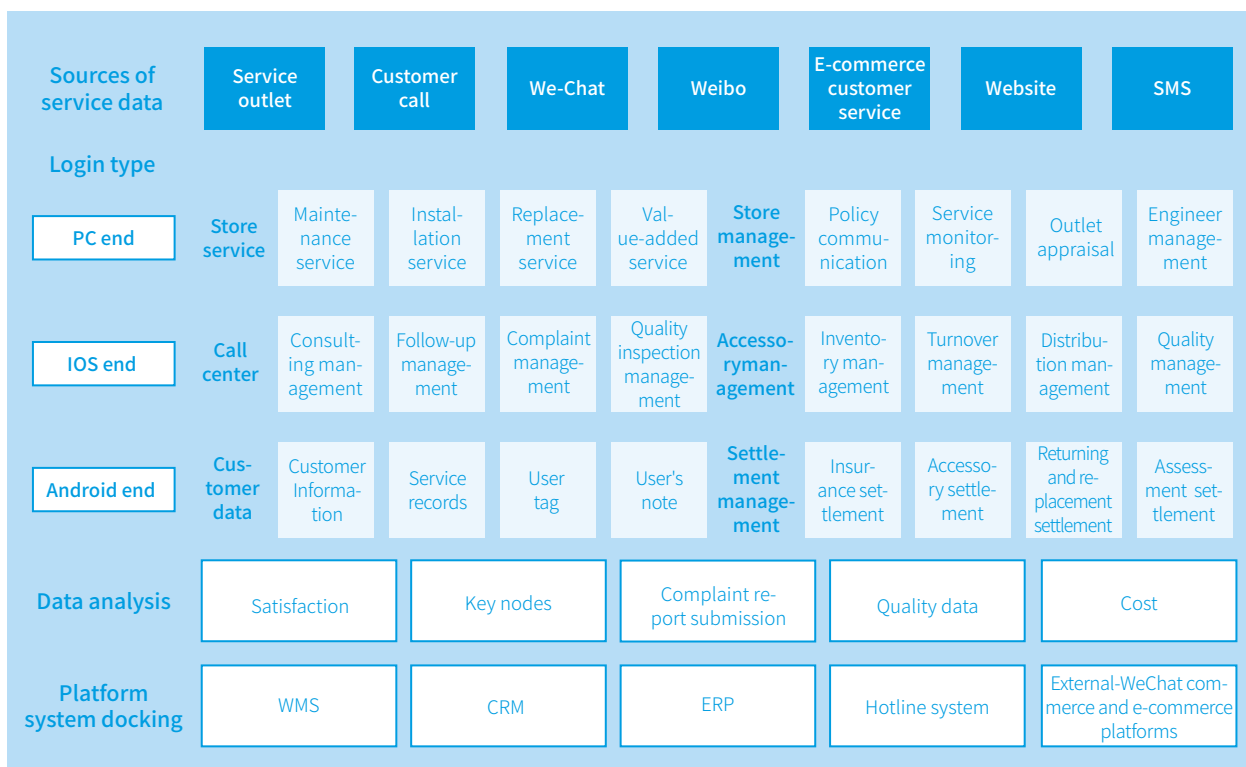
In 2022

The Company received **124** complaints about products and services. Its complaint handling rate was **100%**, and the satisfaction rate for its services, which was investigated through follow-up calls, was **97.5%**, outshining its counterparts in the industry

Customer Service Management

The Company formulates and regularly updates its internal management institutions such as *Process Specification for Application and Revision of Featured Service Policies for Joyoung Products*, *Management Regulations on ‘Replacement Instead of Repair’ Service*, *Management Regulations for Handling Quality Issues*, *Complaint Management Regulations*, etc. It constantly improves its customer service management system and standardizes relevant service management procedures and regularly conducts the customer satisfaction survey to ensure professional, efficient and satisfactory customer services.

The Company implements full-link customer complaint management and includes the handling of all types of customer complaints including those about products and services into the management system. A customer complaint will be reported to relevant department(s) in time, and corresponding response will be made within 30 minutes of receiving the complaint report. Relevant complaint handling report will be submitted within 24 hours of making the response, allowing customer service staff to make follow-up phone call in time. As to the treatment of some special cases, they will be monitored in accordance with a special time management system and usually involve the timely return and replacement of sold products. In addition, the Company realizes online service by building a digital service platform that shares service information and integrates service functions.



Customer Service Channels

The Company has established a reliable, convenient and intelligent omni-channel customer service model, which involves off-line service outlets, AI customer service robots that stand by 24 hours a day, "Sunshine Service" WeChat Applet, Call Center, professional VIP service personnel, and product experts. This full-coverage, high-quality service network is the best in the industry and provides customers with high-quality services.



2000 Joyoung Service Outlets Across China Satisfying Customer Demand in Different Areas

Joyoung runs 2,000 service outlets across China. These outlets boast uniform store image and service standards, offering services to customers in major cities, counties and towns of the country. Some core cities may be equipped with multiple outlets. Assisted by JD Express for Repair, they offer customers best-quality service in different areas.

All the outlets are run by distributor after-sales + special sales integration model, which ensures the stability of the service network, convenient services for customers, improved customer satisfaction, and a good brand reputation.



Off-line Joyoung service outlet

Featured Value-Added Services

To safeguard customers' rights and interests, meet their differentiated needs, and continuously improve their satisfaction and brand loyalty, Joyoung provides customers with diversified value-added services, which are the best in the industry. In 2022, the Company provided customers with both regular services and differentiated value-added services which included extended warranty periods for "replacement instead of repair" service, extended warranty periods for machine parts, and warranty services with a warranty period exceeding one year.

Featured Customer Services



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 (excluding products with "replacement instead of repair" service)



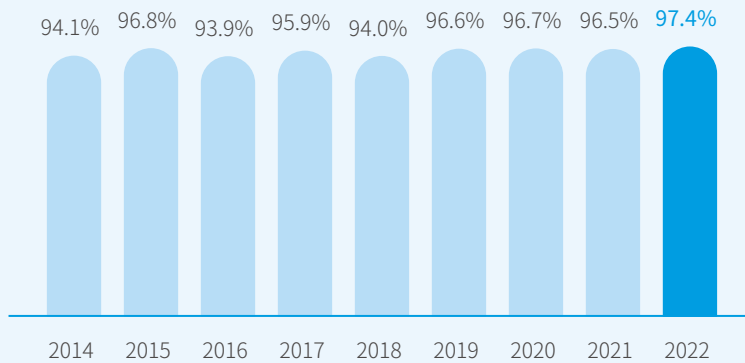
Value-added services

- "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 schedule)
- Extra long warranty period for designated accessories, such as the 10-year free-replace period for Y951 motors
- Designated product exceed 1-year free-repair period, such as the 3-year free-repair period for 40N7

Featured Customer Services of Joyoung

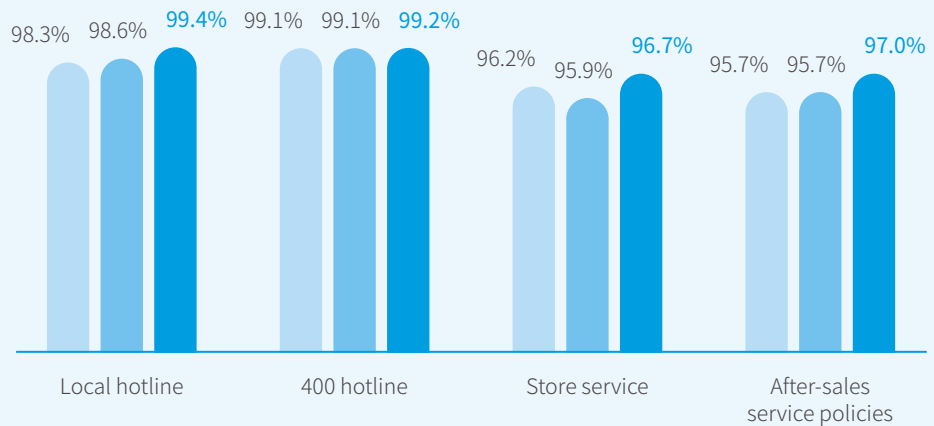
Surveyed service satisfaction rate in recent years

*Data source: data before 2018 was offered by third-party survey conducted at the request of our market research department and that after 2018 was provided by our internal survey.



Changes in satisfaction rate key indicators in recent three years

- 2020
- 2021
- 2022



Responsible Marketing Strategies

While actively pursuing sustainable development, the Company insists on responsible marketing. To better fulfill its corporate social responsibility, the Company cooperates with its sales channel partners to promote multi-dimensional responsible marketing, promising not to provide consumers with false or misleading information about products and services, building mutual trust with consumers, and helping them to make sustainable choices.

Creating a Sound Marketing System

To ensure that all its marketing activities do not run counter to its social and professional responsibilities and comply with the generally-accepted principle of fair competition and that all its sales channel partners are aware of the importance of standardization of marketing activities, the Company signed with its own distributors *2022 Distribution Agreement*, which legally ensures the standardization of product publicity activities. Besides, the Company has formulated and implemented internal regulations such as the *Distributors Compliance Management System* and *Distributors Grading Management System*, which ensures the management of distributors based on their grades and regular distributor training and encouraged these sales channel partners to provide high-quality services and achieve high-quality development.

Marketing Communication Channels

The Company embraces the "Internet+" trend while exploring business innovation paths and enterprise transformation methods, and creates a unique combination of online shopping malls and offline stores to meet the needs of different customers.

- Further attention and investment will be paid to social media platforms such as Tik-Tok, Xiaohongshu, Weibo, and WeChat.
- Joyoung has run different online flagship stores and live broadcast rooms for different product categories, channels and customer groups and relied on high-frequency, diversified, and multi-platform online live streaming activities to achieve rapid sales.
- The steady development of shelf e-commerce business and the surging growth of content e-commerce channels represented by the Tik-Tok have effectively enhanced the use and purchase frequency of small kitchen appliances, conveying the gorgeous appearance, high-tech functions and good user experience, among others of small household appliances to consumers in a better way, and providing a more suitable carrier for the synergistic development of the Company's online and offline business.



Sales Channels

- On the basis of the existing tens of thousands of sales outlets nationwide, Joyoung continuously improves and optimizes its offline sales network while exploring new retail business models. It promotes the construction of the space technology model store named Shopping Mall. By combining high-frequency, diversified, and multi-platform online live streaming activities with offline experience and digital operation, it has realized O2O-integration development and high-value conversion for consumers and built a three-dimensional and multi-level sales network covering different consumer groups.



Shared Responsibility and Win-Win Cooperation

Our Philosophy

Joyoung actively integrates ESG concept into its procurement and supplier management, striving to promote the progress of the entire industrial chain. It has formulated strict procurement standards and supplier management system, and incorporated into its supplier selection standards the concepts related to sustainable development, such as environmental protection and corporate social responsibility, which offers a fundamental guarantee for the quality of the Company's products. In addition, the Company constantly strengthens cooperation and exchanges with universities and other enterprises in this industry, continuously improves its production efficiency and research and innovation ability, and actively promotes the integration and sharing of resources for win-win cooperation.

Our Action

- Supply Chain Responsibility Management
- Common Progress of the Industry
- Industry-University-Research Cooperation

SDGs Benchmark





Item	Class
1000	Class 1
2000	Class 2
3000	Class 3
4000	Class 4
5000	Class 5



Supply Chain Responsibility Management

In 2022, Joyoung renewed a series of institutions and mechanisms such as *Supplier Management System Based on Grading*, and *Supplier Introduction Management System*, *Tendering and Bidding Management System*, *Mould Management System*, *Strategic Supplier Cooperation Agreement*, etc., ensuring a scientific, fair and sustainable supplier management system. The Company exercises process control over supplier selection and evaluation and works to find and cultivate high-quality suppliers and standardize its supplier management mechanisms. Such efforts ensure that the Company works with high-quality suppliers and acquires high-quality resources and helps to enhance the stability and competitiveness of the Company's supply chain.



In 2022

100% of the Company's core suppliers obtained ISO9001 quality management system certification

The Company provided **51** times training, with a total training time of **179.5** hours



Key points of supply chain management in 2022




Supplier Introduction

The Company requires its suppliers to abide by the Supplier Code of Conduct and sign Integrity Cooperation Agreement with them. In addition, it requires key suppliers such as machine suppliers to establish corresponding quality management systems in accordance with ISO 9001, TS 16949 or 3C certification to ensure that key suppliers have the laboratory resources and capabilities that meet the relevant requirements.

ESG Risk Management

- The Company requires suppliers to abide by the *Supplier Code of Conduct formulated by JS Global Lifestyle* and strictly comply with applicable national and local laws and regulations to ensure a reliable and responsible




Procurement Integrity Management

- The Company has incorporated clauses of *Integrity Cooperation Agreement* into the purchase and sale contracts it signed with its suppliers.

Supplier management measures


Supplier Review

The Company conducts an annual or monthly assessment of its suppliers through various methods and offers relevant incentives. It adjusts its procurement measures based on the assessment results: suppliers are rated with stars; the cooperation with the suppliers that fail to comply with relevant regulations and show little willingness to improve will be terminated; suppliers that show a willingness to improve will be encouraged.




Supplier Assessment

- Suppliers who fail to pass the assessment will be excluded in the annual list of excellent supplies, disqualified for bidding for a certain period, or even removed from the list of suppliers.



Supplier Rating

- Suppliers will be rated with stars and divided into four groups: five-star suppliers, four-star suppliers, three-star suppliers, and low-score suppliers. Low-score suppliers will be required for improvement and excellent suppliers will enjoy certain preferential policies.

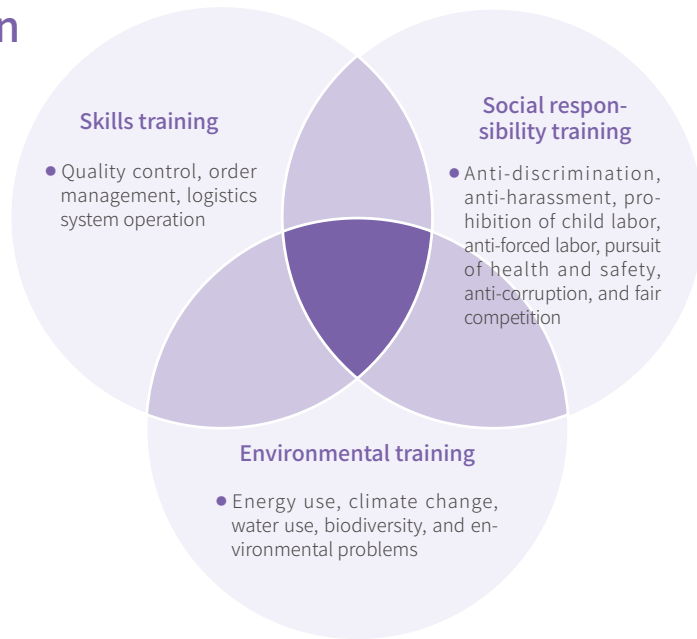


In 2022

According to its supplier management system, the Company conducted reviews on **26** suppliers

Supplier Communication

The Company regards communication with suppliers as an important means of supplier management. It achieves efficient supplier management through offline cooperation and online data sharing with its suppliers, providing a solid guarantee for win-win cooperation. In addition, the Company organizes the supplier conference and training every year to pass on its strategies to its suppliers and summarize the previous achievements and look into the future together with them. Such activities strengthen cooperation confidence and promote the healthy and sustainable development of the supplier system.



Suppliers' Training

Common Progress of the Industry

At present, we are faced with a great historical opportunity for the transformation and upgrading of the manufacturing industry and high-quality development. Therefore, Joyoung works to strengthen its ties with upstream and downstream enterprises in the industrial chain, promote pragmatic cooperation, and advocate innovation-driven integration and empowerment. Such efforts share with the industry Joyoung's strength in technical research and development and experience in product quality and manufacturing management and express its value of "Health and Innovation".



Seeking Common Progress Through the Participation in 2022 World Manufacturing Convention

The 2022 World Manufacturing Convention, jointly held by the PRC Ministry of Industry and Information Technology and the Shandong Provincial People's Government, kicked off in Jinan City, Shandong Province, in August, 2022. Around the theme "New Paradigm, New Momentum, and New Ecology", the Convention focused on high-quality development and discussed frontier issues regarding the development of advanced manufacturing industry, offering a high-end cooperation and exchange platform for international cooperation in the manufacturing industry. As a key enterprise of intelligent manufacturing in Jinan City, Joyoung participated in the Convention, exhibiting its Space Science and Technology Series small household appliances.




The 2022 World Manufacturing Convention



Joyoung Space Science and Technology Series

Industry-University-Research Cooperation

The Company has been keeping close contact and interaction with scientific research institutions in universities for many years. On the basis of establishing practice bases, more cooperation that is beneficial to students, universities and enterprises has been carried out. Guided by the principle of "conducting multi-level, multi-channel, multi-form cooperation and achieving practical results", the involved parties give full play to their strengths, learn from and cooperate with one another, and work together to deepen the industry-university-research cooperation.

<p>Cooperation with Universities</p> <ul style="list-style-type: none"> • Tsinghua University, Zhejiang University, Fudan University, Southeast University, China Agricultural University, Jiangnan University, Zhejiang Sci-Tech University, Hangzhou Dianzi University, Zhejiang Gongshang University, China Jiliang University 	<p>Cooperation with Enterprises</p> <ul style="list-style-type: none"> • Zhejiang Fangyuan Test Group 	<p>Cooperation with Research Institutes</p> <ul style="list-style-type: none"> • Ningbo Institute of Materials Technology & Engineering, Chinese Academy of Sciences; Institute of Physics, Chinese Academy of Sciences; China Electronics Standardization Institute; Zhejiang Sci-tech Information Research Institute Sci-tech Novelty Retrieval (Evaluation) Center 
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Industry-university-research cooperation bases



2022 industry-university-research cooperation activities

04

Employee Empowerment and Joint Growth

Our Philosophy

Since its establishment, Joyoung has adhered to such beliefs: employees are the main force of enterprise development; the excellent employee management system underpins the steady operation and development of the Company. Joyoung seeks to progress together with its employees and strives to provide them with multiple career choices, equality at the workplace, and guaranteed rights and interests.

Our Action

- Recruiting Compliance
- Employee Development
- Safety and Health
- Employee Care

SDGs Benchmark





Recruiting Compliance

Employee Rights and Interests

The Company strictly abides by *Labor Law of the People's Republic of China*, *Labor Contract Law of the People's Republic of China* and other relevant laws and regulations. It proactively responds to the government's call and gives priority to stabilizing employment and ensuring people's livelihood. It recognizes and safeguards the legitimate rights and interests of employees: it prohibits children labor according to laws; it ensures that men and women in the same workplace are given equal pay for equal work and that the legitimate rights and interests of female employees are guaranteed; it works hard to create a diversified, fair and just working environment, eliminating workplace discrimination based on religion, gender, age, mental or physical disability, etc.

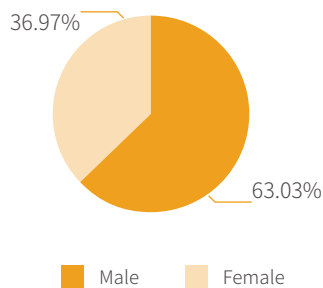


As of the end of 2022

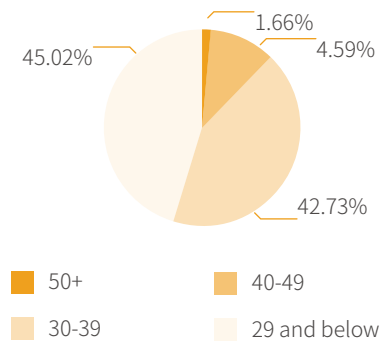
The Company has a total of **2,832** employees, including **38** physically challenged employees.

All (**100**%) the Company's employees are contract employees hired in accordance with relevant laws and regulations

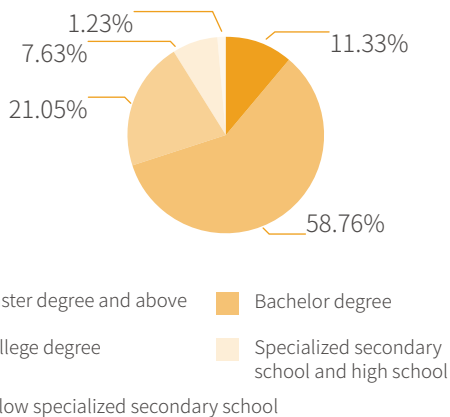
By Gender



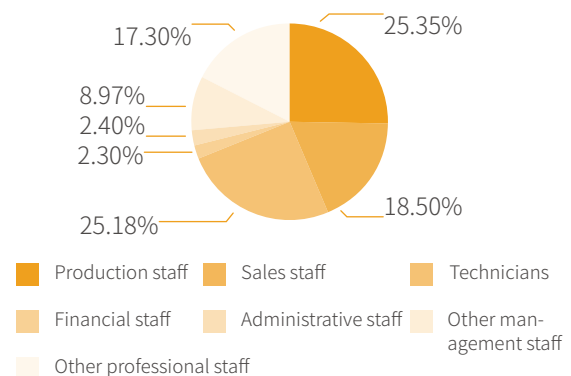
By Age



By Educational Background



By the Division of Labor



Fair Recruitment

The Company recruits employees through multiple channels, including its official website and official WeChat account, third-party recruitment platforms, offline job fairs, campus recruitment activities, and employee referrals. Every year, we carry out campus recruitment to attract outstanding talents from global universities, and train them internally via J Project which includes internal executives as professional mentors, creating an internal training mechanism. It ensures an open, fair and impartial recruitment process by establishing and practicing standardized recruitment measures and thus succeeds in continuously attracting high-caliber personnel for the Company's development. All these efforts made by Joyoung are in line with the government's goal of stabilizing employment.



Joyoung's Recruitment Philosophy

Compensations and Benefits

To give back to employees for their efforts and contributions, the Company provides a market-competitive, performance-based payment system and benefits system, giving employees basic salaries, bonuses, subsidies, and benefits. In order to standardize the management of benefits and ensure benefits of the employees, the Company has formulated *Benefits Management Rules*, *Supplementary Provisions on Benefits Management Rules* and other rules and regularly optimized relevant mechanisms. Apart from giving employees basic benefits stipulated by laws, the Company provides employees with special benefits in medical treatment, food, housing, transportation, etc., which significantly enhanced the sense of belonging and happiness of employees. In 2022, Joyoung launched its first employee stock ownership plan (ESOP) to further improve its long-term incentive mechanism, fully mobilize the initiative, enthusiasm and creativity of the managers and employees, attract and retain outstanding talents, improve the cohesion of employees and the core competitiveness of the Company, and ensure the stable, healthy and sustainable development of the Company.

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, 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.
- Other benefits given to employees who have made outstanding contributions.

Employee benefits



Joyoung's "Education Sponsorship Plan" Encouraging Employees to Further Their Education

While committed to enterprise development, Joyoung keeps encouraging its employees to further their education and rewards those who have obtained corresponding degrees and professional certificates through its "Education Sponsorship Plan". Apart from that, the Company also tries its best to provide its employees with a new mode of on-the-job education and diversified educational opportunities through its platform, striving to develop a knowledge-based, highly-skilled and innovative industrial worker team.



The Workers' Union of Joyoung introduces the Education Sponsorship Plan to employees

Democratic Management

The Company has established systems and mechanisms for democratic management and communication and regularly convenes workers' conference to hear the employees' suggestions on major issues and decisions regarding the Company's operation and development and those about the interests of employees. To standardize the business process of the Company and ensure timely communication with employees and timely response to their opinions and suggestions, the Company has formulated the *Management Procedures for the Handling and Feedback of Opinions, Suggestions, Appeals and Feedback of Employees*. Last year, 120 Joyoung employees attended the 2022 Joyoung workers' conference and 2,450 Joyoung employees were represented by an independent workers' union and covered by collective bargaining agreements (CBAs).

In addition, the Company has built multiple communication channels to listen to employees' voices, including a hotline and a mailbox for complaints and suggestions, an office network information platform, a WeChat public account for complaints and suggestions, the SOA platform named the Voice of Customers, Joyoung Administration, and meetings of various departments at all levels.



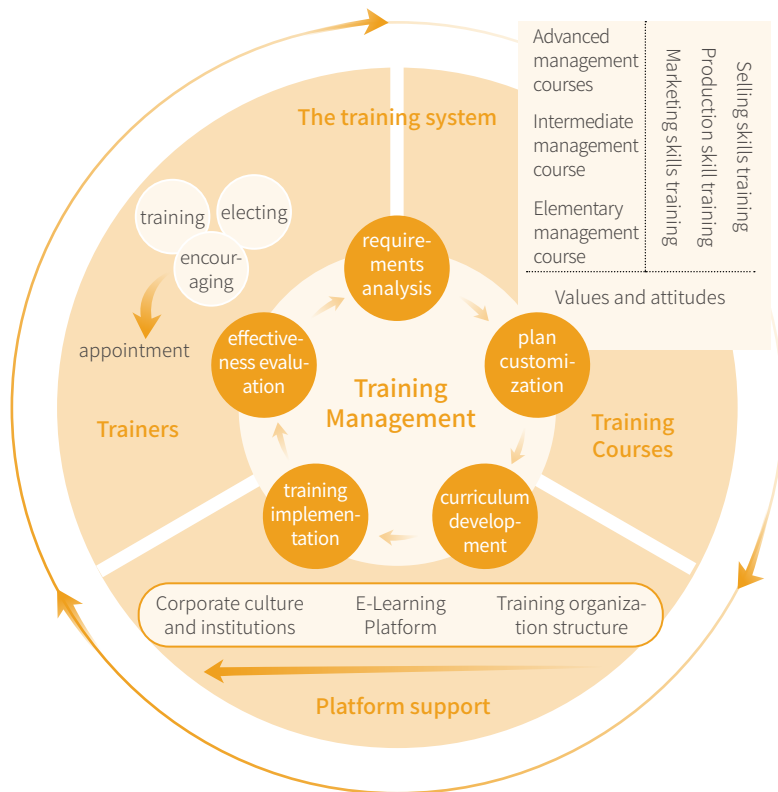
The 5th Workers' Conference of Joyoung



President's Mailbox

Employee Development

Guided by the principle of "combining training and practice on a result-oriented basis", Joyoung has gradually built its own training system. It has adopted an evaluation system covering competence appraisals and professional behavior appraisals, and offered training for employees at different levels and from different departments through a complete system that consists of well-designed training courses, professional trainers, and an effective learning platform. It has also kept improving its training system from five aspects: requirements analysis, plan customization, curriculum development, training implementation, and effectiveness evaluation. In addition, the Company has enhanced the system by formulating and implementing the *New Employee Training Management Rules*, *External Training Management Rules*, and *Internal Training Management Rules* and developed a professional trainer team. It works arduously to ensure the satisfaction of training needs, the formulation and implementation of training plans, and the reasonable assessment of training effect, which helps its employees to boost their career, creates a platform to realize their ability improvement and career development, and sees that the strategic goals of the Company are achieved.



The training system of Joyoung



In 2022

The Company provided **235,749.49** hours of training for its staff, each employee receiving an average of **80.8** hours of training.



Special Training Camp for Potential Middle and Senior Managers

Joyoung has established a training mechanism named Special Training Camp for Potential Middle and Senior Managers. This camp is presided over by the President of the Company, and the trainers of the camp come from the senior management of the Company. Within the reporting period, a total of 51 Joyoung employees participated in the Special Training Camp, which also included 10 associate members for each camp session.

A session of Special Training Camp lasts for a year and helps members to improve their management ability and strategic thinking in an all-round way by providing them with systematic courses, case studies, and business operation practice. During the camp, camp members have the chance to directly talk to and get guidance from the senior management of the Company and improve their own thinking, behavior and management skills in such interaction. This camp helps the Company to discover and cultivate excellent management professionals, which provides strong support for its future development.



Special Training Camp for Potential Middle and Senior Managers



Training Camp for New Managers

Joyoung helps new managers to better adapt to their new leadership roles through Training Camp for New Managers. Each session of this camp usually lasts for 8 months and recruits 50 members. The camp enables its members to understand and adapt to their management roles and through management case studies, helps them to improve their management skills in an all-round way and quickly accumulate practical experience.

This camp turns its members from technicians into professional managers by imparting management knowledge and skills to them, improving their communication and coordination ability, and enhancing their understanding of the Company's strategies. By studying various management cases, the camp members have a deeper understanding of the Company's management philosophy and management methods and learn to apply them to their own work to constantly improve their own management ability.



Training Camp for New Managers



TRIZ Camp

Joyoung utilizes TRIZ camp to enhance its innovation capacity and relevant mechanisms. The camp is run by 11 professional trainers who provide comprehensive guidance and support for camp members and major programs such as knowledge learning program, BU practical training program, and TRIZ case study program, which are intended to improve camp members' innovation knowledge and skills.

The knowledge learning program allows camp members to systematically learn the basic TRIZ theory and practical skills and see how TRIZ tools are applied in different scenarios in practice. The BU practical training program enables camp members to use TRIZ tools to solve practical problems in simulated cases and improve the ability to solve practical problems. The TRIZ case study program shares typical TRIZ cases with camp members, helping them to gain an in-depth understanding of the use and effect of TRIZ. In a word, employees can master TRIZ innovative theory and tools through TRIZ camp, which provides strong support for the Company's technological innovation and development.



TRIZ camp



In 2022

144 Joyoung employees acquired TRIZ Master Certification (Level 1) and **48** obtained TRIZ Master Certification (Level 2).

Up to now, a total of **183** Joyoung employees have obtained the level-1 TRIZ Master certification, **71** have gained the level-2 certification, and **11** have gotten the level-3 certification.





Scouting for Future Trainers

Scouting for Future Trainers is conducted in OMO mode, providing Joyoung employees with a more flexible and comprehensive learning experience by combining online and offline activities. So far, 40 courses have been created through this plan, covering various business fields and professional skills and providing diversified learning resources for employees.

As of 2022, 974 lectures have been given through this plan, offering 2,207.2 hours of learning resources. This plan enables employees to grasp the company's business and development strategy, improve their professional skills and overall competence, which provides an internal source of energy for the Company's development.

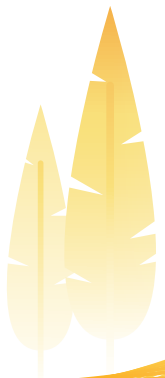


Service Skills Training and Assessment

Through on-site training and multi-mode interconnection training, the Company has 100% of its customer service staff well trained, making sure that they all have passed a strict examination, acquired the relevant certification, and mastered related skills. Apart from this, the Company provides a series of technical support, including "Niuge Tian Tian Jiang" We-Chat official account and direct contact with engineers. These efforts help the customer service team to quickly reply to difficult questions raised by customers and continuously improve its services, professionalism and work efficiency.



Service Skills Training and Assessment



Safety and Health

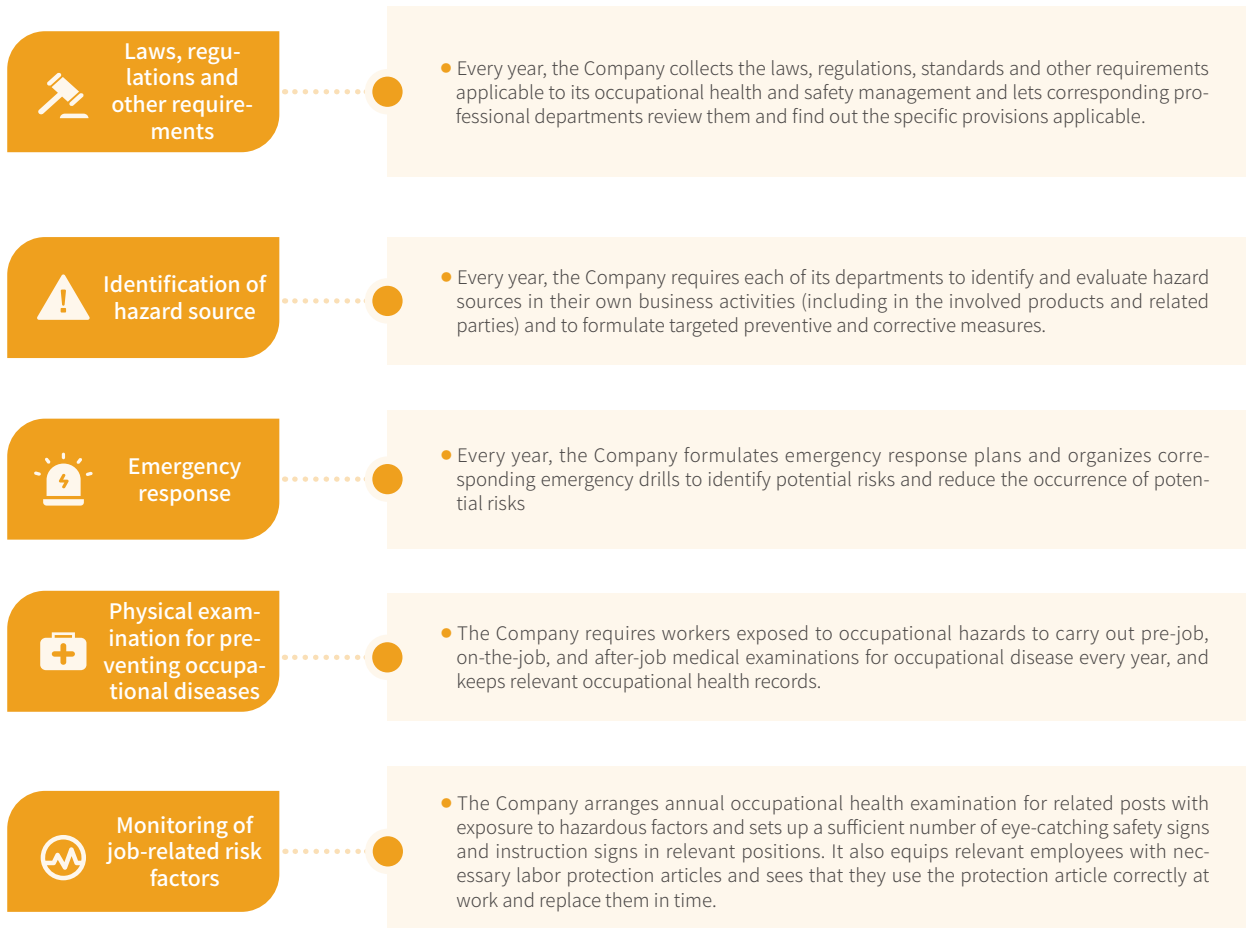
Joyoung has been paying close attention to its employees' health and safety for all these years. It has established a sound and complete security risk management and control system, adopt effective safety management measures, and actively carried out workplace safety management activities. It conducts regular safety inspections, safety assessments and safety emergency drills, and timely issues risk warnings and eliminates potential risks. The Company regularly organizes occupational health and safety training for employees, ensuring that they know how to respond correctly and quickly when emergencies occur. These efforts help to minimize safety risks and guarantee the safety and health of employees.

Occupational Health and Safety Management System

As to 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". To protect employees' physical and mental health, enhance employees' awareness of safe production, and ensure safe production, the Company has passed the ISO45001 occupational health and safety management system certification and formulated a series of internal regulations such as the *Environmental Factors and Hazardous Sources Control Procedures*, *Fire Management Rules*, *Safety Education and Training Management Rules*, etc. It makes unremitting efforts to constantly enhance its occupational health and safety management.



The ISO45001 occupational health and safety management system certificate



Occupational safety and health management system

Safety Inspection and Emergency Drills

To effectively prevent all kinds of production safety accidents, the Company regularly conducts safety inspections for key areas and key risk points and ramps up its efforts to investigate potential safety hazards. It works obviously to ensure smooth operation and safe production.



Standardized Safety Inspection of the Company

In 2022, the Company carried out monthly safety inspections according to the requirements of relevant management systems and received the safety inspections conducted by local government departments. Every month, the safety officers of each department of the Company jointly conducted safety inspections on the factory buildings, workshops, offices, and dormitory warehouses in the industrial park and actively cooperated with the local fire brigade and community office when these third parties carried out safety inspections in the industrial park. These efforts to regularly investigate and solve potential safety hazards ensure production safety.



Safety inspection



Training and Emergency Drill Related to Hazardous Chemicals

To strengthen the management of hazardous chemicals and the emergency response to accidents caused by hazardous chemicals, the Company regularly organizes relevant emergency drills. In 2022, the Company hired professional emergency response personnel to guide its employees on how to deal with emergencies such as hazardous chemical leakage, which significantly improved the employees' emergency response ability and safety awareness. By providing employees with training materials such as *Safety Knowledge about Hazardous Chemicals and Emergency Response to Hazardous Chemicals*, the Company has enabled its employees to have basic knowledge about hazardous chemicals, their hazard levels, and relevant risk control methods and emergency response processes, which has remarkably improved the employee's emergency response ability.



Hazardous chemicals response training



Fire Drill

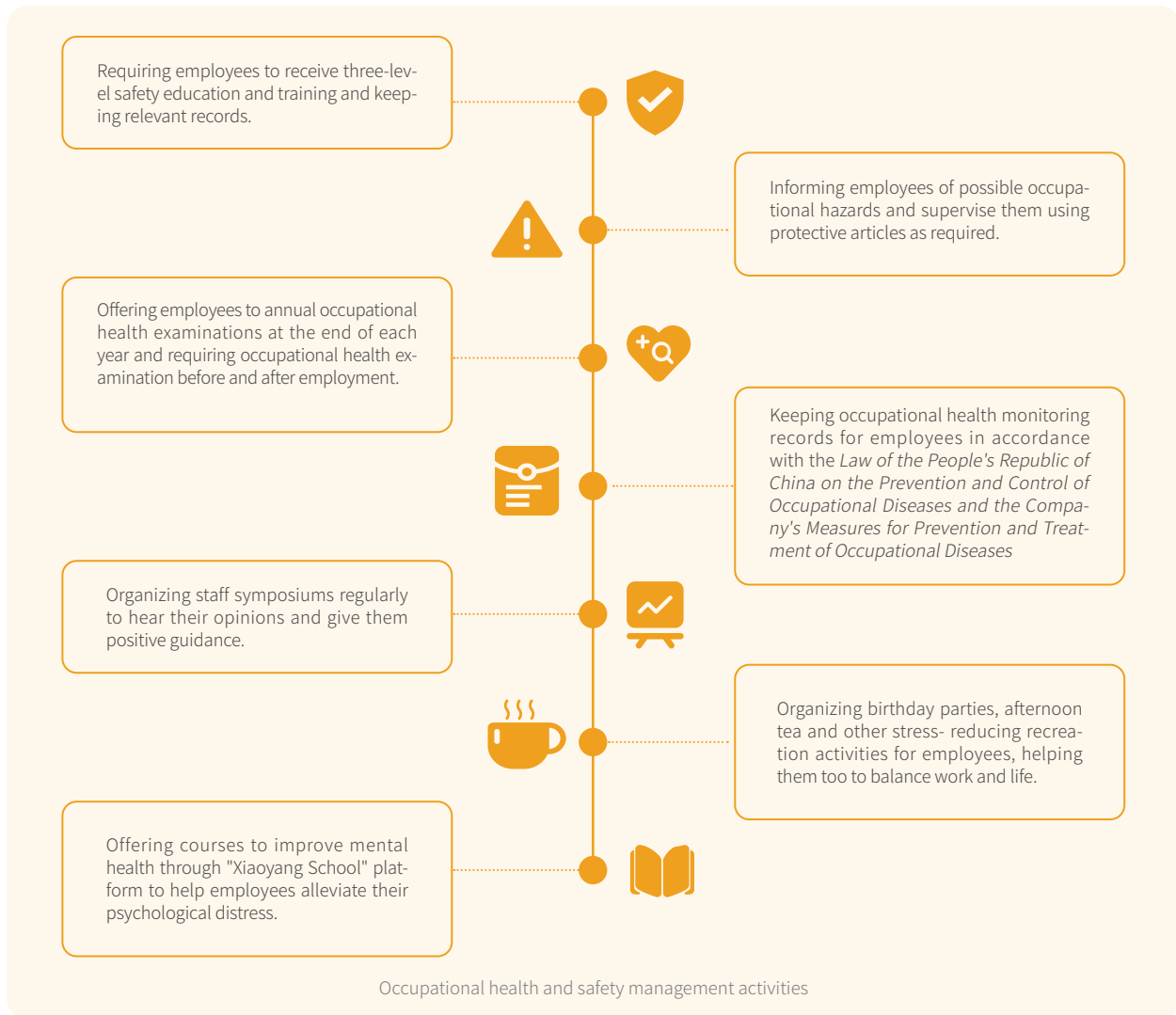
Regarding the fire protection work, the Company sticks to the principle of "prevention-oriented, combined with prevention and elimination", and works hard to enhance its employees' awareness of fire safety. For these reasons and to check the feasibility of its fire emergency plan, the Company held the 2022 dormitory fire drill. The drill helped employees to master the use of fire fighting equipment and improved the Company's overall fire safety management ability, creating a fine atmosphere where everyone participated in and paid attention to fire safety work.



Fire drill

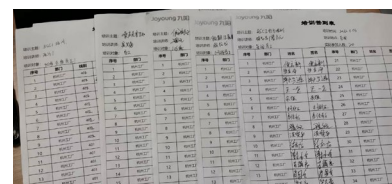
Safety Education and Training

The Company regularly organizes various safety education and training activities to improve its employees' awareness of safety and their emergency responder skills, ensuring that they can work safely and scientifically and are able to manage all kinds of potential safety hazards in the workflows. Through regular and standardized thematic training and education activities, the Company sees that every employee bears safe production in mind and strives to actualize safe production, safe work, and safe life.



Training on Occupational Disease Prevention

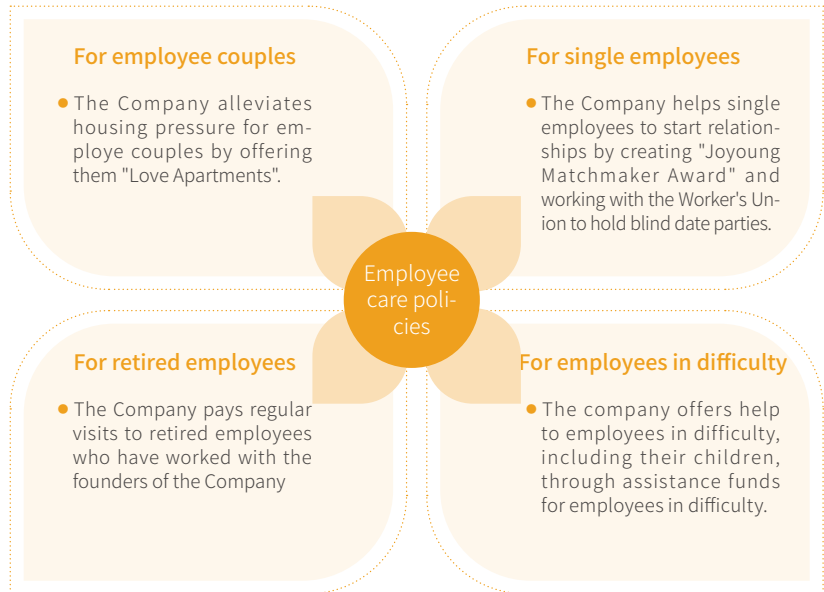
In 2022, the Company offered employees training programs on occupational disease prevention and control, covering safety-related issues such as the proper use of chemicals, the safe way of using earplugs, and the safe operation of equipment and system. These programs were aimed to improve employees' awareness and ability of occupational disease prevention, minimize the incidence of occupational diseases, and ensure employees' safety.



Training attendee signature forms for safety training programs in 2022.

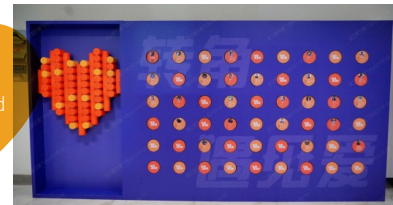
Employee Care

The Company heartfully fulfills its duty of caring for its employees. It discovers the needs of employees in time and responds effectively to them. It earnestly carries out assistance and relief work for needy employees. All these efforts increase employees' sense of acquisition, belonging and happiness.



Blind Date Party "Meet Your Love Around the Corner"

In 2022, the Company established a dating platform for its employees, which was named "Meet Your Love Around the Corner". This facilitated the communication among single employees and creates a relaxed and happy atmosphere, offering care and support for employees.



Catering to the Special Needs of Female Employees

To take better care of the lactating female employees, the Company offers "Mommy Cabin", which ensures a comfortable, quiet, and private nursing environment. Mommy Cabins have all kinds of supporting facilities including spacious nursing room, professional nursing equipment, and clean mother & baby products, provide convenience and support for female employees.



Mommy Cabin





Low-Carbon Development for Our Planet

Our Philosophy

Joyoung pursues green development: it strictly regulates its environmental behaviors, earnestly assumes its responsibility, and constantly enhances scientific and standardized environmental management measures. Joyoung ensures a low-carbon workplace and regards green development as its basic developmental principle. It incorporates the pursuit of green development into its corporate culture and practices low-carbon working, adopting a green development paradigm highlighting energy efficiency, consumption reduction, emission reduction, and environmental protection.

Our Action

- Environmental management system
- Emphasis on energy efficiency and carbon reduction

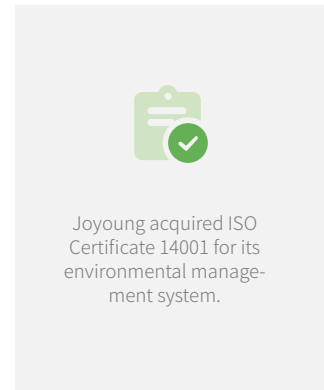
SDGs Benchmark





Environmental Management System

Kitchen appliances must first satisfy consumers' need for health. With this in mind, Joyoung has successfully established itself as a positive, healthy, high-quality, and eco-friendly brand through years of hard work. Environmental problems caused by traditional industries such as those involving wastewater and air and noise pollution do not exist in the daily production and business activities of the Company. As to other energy-saving and emission-reducing standards, the Company's performance always meets relevant national standards. In 2022, 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.



Emissions and Resources Management

Joyoung regards green development as an important part of scientific development and understands it as a resource-saving and environment-friendly development paradigm. Up to now, the Company has already established a rigid waste management system through the formulation and implementation of *Solid Waste Management Rules*, which requires each department to be responsible for the generation, classification, and collection of solid waste within itself. As to the disposal of hazardous wastes, the Company entrusts this task to qualified suppliers.



Trade-in Program Promoting Green Consumption of Smart Home Appliances

In July 2022, the PRC State Council Information Office highlighted the need of promoting green consumption of smart household appliances and issued *Measures to Promote the Green Consumption of Smart Home Appliances*. Joyoung responded immediately and promoted trade-in program across the country, encouraging consumers to trade in their old household appliances, not necessarily Joyoung products, for discounts on new Joyoung products. This helped to promote a scientific and reasonable attitude toward consumption and facilitated the green and healthy development of the home appliance industry.

In 2022, the Company's after-sales service outlets all over the country collected about 160,000 used household appliances through the trade-in program, and these used appliances were given to local professional recycling companies for proper disposal.



Trade in used home appliances for new products.

Energy Consumption Statistics

Indicator	Unit	2020	2021	2022
Total consumption of purchased electricity	kWh	12,681,335	11,233,940	12,653,572
Electricity Intensity	kWh/RMB 0'000 Yuan of revenues	11.30	10.66	12.43
Electricity Efficiency	RMB 0'000 Yuan of revenues/kWh	0.09	0.09	0.08

Notes:1. Electricity intensity reflects the electricity consumed per RMB10,000 Yuan of output value. The less electricity consumed per unit of output value, the lower the electricity consumption intensity.

2. Electricity efficiency reflects the revenues per kWh. The greater the output value per unit of electricity consumption, the higher the electricity efficiency.

Water Consumption Statistics

Indicator	Unit	2020	2021	2022
Water Consumption	Metric ton	180,298	188,844	203,834
Water Consumption Intensity	Metric ton/RMB 0'000 of revenues	0.16	0.18	0.20
Water Efficiency	RMB 0'000 of revenues /metric ton	6.23	5.58	4.99

Notes:1. Water consumption intensity reflects the water consumed per RMB10,000 Yuan of output value. The less water consumed per unit of output value, the lower the water consumption intensity.

2. Water efficiency reflects the revenues per metric ton of water consumed. The greater the output value per unit of water consumption, the higher the water efficiency.

Utilization of Renewable Energy

Joyoung keeps seeking opportunities for utilizing renewable clean energy, in the hope of reducing the impact of its production and business activities on the environment and as a response to the global challenge of climate change. The Company has equipped its factories and offices with photovoltaic power generation equipment, which has greatly reduced their dependence on purchased electricity and embodied the Company's dedication to efforts that address climate change and actualize China's dual carbon goals (the national goal of reaching peak carbon emissions before 2030 and that of achieving carbon neutrality before 2060).



The photovoltaic power generation equipment installed in Joyoung factories and offices.



In 2022

The photovoltaic power generation equipment installed in Joyoung factories and offices generated **3,053,413** kilowatt hours (kWh) of electricity, and Joyoung consumed only **89%** of the electricity, namely **2,735,413** kWh, selling the remaining **318,000** kWh of electricity to the national power grid system.

Emphasis on Energy Efficiency and Carbon Reduction

Joyoung insists on green development and attaches great importance to environmental protection in the process of developing itself. It keeps enhancing its green efforts such as green workplace, green procurement, and green logistics, making positive contributions to the realization of sustainable development. The Company will continue to adhere to and thoroughly implement the concept of green development and continuously optimize its environmental management, facilitating the building of Beautiful China.

Green Workplace

In 2022, the Company implemented environmental protection measures in all aspects of its daily operation, which involved infrastructure, daily office work, garbage classification, and resource conservation. It actively advocated green and low-carbon work style and life-style and highlighted the importance of energy conservation and environmental protection. It optimized working methods and workflows and promoted the use of the electronic office platform, realizing electronic office. These efforts helped its digital transformation and reduced the pollution produced by the workplace, facilitating the achievement of China's dual carbon goals (the national goal of reaching peak carbon emissions before 2030 and of achieving carbon neutrality before 2060).



Information System Development

- Making the workplace as paperless as possible and relying on communications through information system to reduce printing.



Resource Management Optimization

- Formulating besting settings for air conditioning.
- Using energy-saving lighting equipment
- Phasing out the old non-water-saving water pumps.
- Turning off office equipment such as computers during non-office hours.

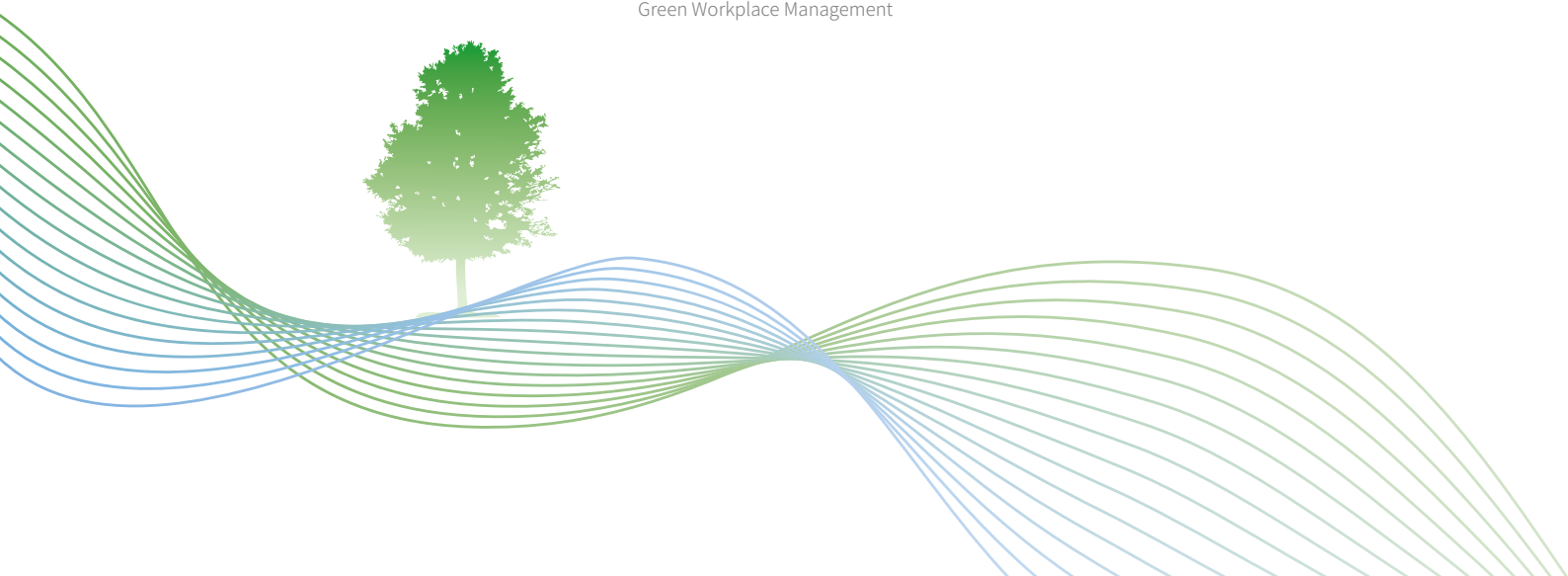


Green Workplace Management

- Avoid using high-power electrical equipment at workplace for non-work-related reasons.
- Printing double-sided and in black and white, and regarding electronic communication and workflows as the first choice.
- Reducing unnecessary newspaper subscriptions, and avoiding causing paper waste.
- Sorting garbage into separate bins for recycling purposes at workplace.



Green Workplace Management



Green Procurement

In 2022, the Company implemented green and low-carbon principles in procurement activities, taking into consideration the needs of environmental protection, resource conservation, safety, health, low-carbon development, and recycling. Therefore, it gave priority to purchasing materials, products and services, which were energy-saving, water-saving, resource-saving, and eco-friendly.

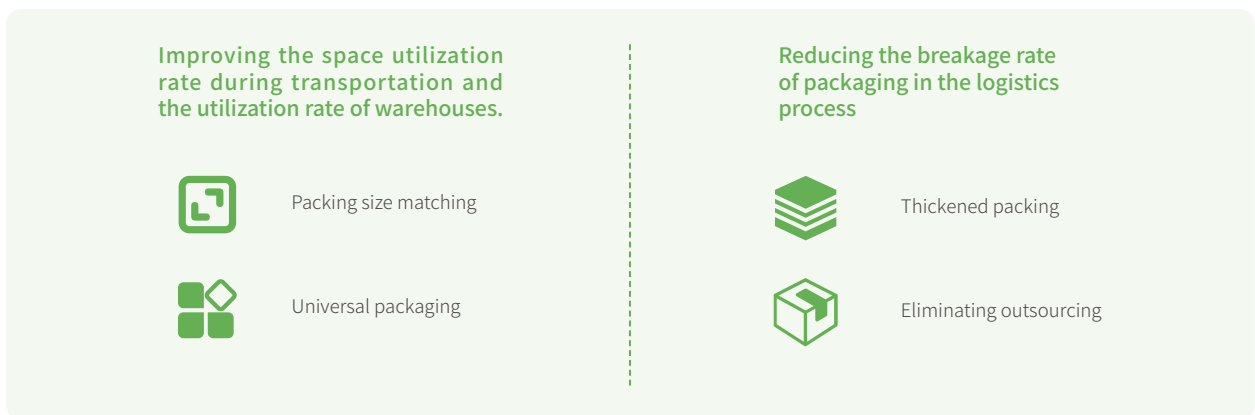


Green Procurement Measures

Green Logistics

To reduce the impact of logistics activities on the environment, the Company has always made full use of all kinds of logistics resources, adopted advanced logistics technology, and scientifically arranged logistics activities such as transportation, storage, loading and unloading, handling, packaging, circulation, processing and distribution information. It worked together with Alibaba JD.com to explore a new mode of standardized transit warehouse, realizing a breakthrough in the network of warehousing and distribution processing. Because of this, it has won honorary titles such as "Demonstration Enterprise for Logistics Standardization Pilot Project of Hangzhou City" and "Demonstration Enterprise for the Pilot Project of Modern Supply Chain System".

Overall cost reduction and efficiency increase of warehousing and logistical system



Measures aimed to realize green logistics.

06

Love for People and Charity for Public Benefit

Our Philosophy

In 2022, Joyoung enthusiastically responded to China's rural vitalization strategy by running a series of public benefit projects such as Joyoung charity kitchen, food education workshop and education sponsorship programs, which were aimed to improve the nutrition and health of rural children. As we keep increasing our investment in them, these projects are benefiting a growing number of people. Apart from that, we also highlight the spirit of volunteerism and call on our employees to actively participate in voluntary services. In this process of making contributions to society, a harmonious relationship between our Company and our communities is created and maintained.

Our Action

- Public benefit activities facilitating rural revitalization

SDGs Benchmark





Public Benefit Activities Facilitating Rural Revitalization

Since its inception, Joyoung has stayed committed to fulfilling its social responsibility. It works hard to benefit society and carries forward the spirit of charity by supporting charitable causes such as education, health, and rural revitalization. With the purpose of "uniting the power of kindness and creating a healthy and better life", the Company and its founders donated and established Joyoung Foundation. Over the years, it has constantly improved the management and decision-making mechanism of the Foundation in accordance with the 5A standards specified in the Regulation on the Evaluation and Management of Domestic Social Organizations, which is issued by the PRC Ministry of Civil Affairs. Apart from making donations, the Foundation mainly runs charity programs such as Joyoung Charity Kitchen and Food-Education Workshop to improve the self-development ability of poverty-stricken areas. These programs focus on boosting the development of communities especially those in rural areas of China, which facilitate the implementation of China's rural revitalization strategy.



In 2022

The total amount of public benefit investment of the company reached RMB **7,558,100** Yuan, including a donation of RMB **7,308,100** Yuan to public benefit programs and RMB **250,000** Yuan investment in communities

A total of **382** employees of the Company participated in volunteer activities, offering **3,155** hours of service (**8.2** hours per capita).

The total times of employees involved in voluntary medical assistance services reached **713**, offering **2,139** hours of service (**3** hours per capita).

Charity Awards

Name of Award	Time of Award	Awarding Organization
Program Award of the 7th Zhejiang Charity Award	September 2022	The People's Government of Zhejiang Province
Outstanding Organization in Making Education Donations	September 2012	The CPC Committee of Wei County, Hebei Province The People's Government of Wei County, Hebei Province
2022 Light Industry Corporate Social Responsibility Evaluation Grade 4A	November 2022	China Light Industry Enterprise Management Association
2022 Outstanding Organization Making Poverty-Alleviation Efforts to Designated Regions	December 2022	The Office of Guiding Poverty-Alleviation Efforts to Designated Regions of the China National Intellectual Property Administration (CNIPA)
Transparency Index: 100 Points	December 2022	China Foundation Center
Best Charity Partner of the Year	December 2022	Zhejiang Foundation for Women and Children
Best Charity Partner	December 2022	Wish1000 Foundation



Thank-you Letter for the 1st Food-Education Contest for Primary and Secondary Schools of Zhejiang Province, jointly issued by Zhejiang CDC, Zhejiang Institute of Nutrition, and Zhejiang University.



Program Award of the 7th Zhejiang Charity Award, awarded by the People's Government of Zhejiang Province.



Outstanding Organization in Making Education Donations, awarded by the CPC Committee of Wei County, Hebei Province and the People's Government of Wei County, Hebei Province.



Champion flag awarded by Jiande Municipal Education Bureau.



2022 Outstanding Organization Making Poverty-Alleviation Efforts to Designated Regions, awarded by the Office of Guiding Poverty-Alleviation Efforts to Designated Regions of the China National Intellectual Property Administration (CNIPA)





Living in the Sunshine - Helping Teenagers Dealing with Adversity

Joyoung Foundation worked with Zhejiang Women and Children's Foundation to run this program: "Living in the Sunshine - Helping Teenagers Dealing with Adversity". Through this program, the Company offered support for uncared-for children and orphans not in care facilities, providing funds to help them complete their education and go to colleges and universities.

In 2022, more than 100 employees of the Company participated in a series of offline public benefit activities intended to help teenagers in adversity, such as "Making a Sunflower", or made donations to troubled teenagers, helping 103 teenagers from the 26 less-developed counties of Zhejiang province and the designated target areas of Joyoung Charity Kitchen in the province.



A photo taken at an offline activity of Making a Sunflower.





Walking in Love

Joyoung Foundation worked with Zhejiang Foundation for Women and Children and Alibaba's Public Welfare Platform to initiate this public benefit program: Walking in Love. This program encouraged each participant to walk more than 10,000 steps a day and donate steps to public benefit projects through Tencent's public benefit platform and WeChat sports platform. Joyoung donated RMB 1 Yuan for every 10,000 steps, and donated RMB 500,000 Yuan in total.

In November 2022, 50 teams that consisted of Joyoung employees, veterans, and local residents including children gathered beside Xiang Lake of Hangzhou City for Walking in Love activity. All that day, they walked 7.6 kilometers together and stopped at two famous photogenic spots, showing their support for Joyoung Charity Kitchen and making their contribution to the healthy growth of rural children.



Photos taken at Walking in Love activity.






Voluntary Blood Donation Activity, Making Contributions to Society

In 2022, to welcome the convention of the 20th National Congress of the CPC and assist with medical institutions' blood supply, Joyoung organized a voluntary blood donation activity, and the cumulative amount of blood donated in the activity reached 20,350 ml. Many Joyoung employees responded enthusiastically and made their contribution, embodying the Company's pursuit of bringing good influence to society.



A photo taken at our blood donation activity.

Index of Indicators

Contents		SDGs	GRI Standards	CASS-5.0
About the Report			G2-2,G2-3	P1.1,P1.2,P1.3,G3.7
Message From Chairman			G2-22	P2.1,P2.2,A1
Key Performance			G2-14,G2-29	G2.1,G3.2,G3.5,G3.6
Features	Feature 1: Space Science and Technology for Better Quality of Life			V2.2
	Feature 2: Joyoung Charity Kitchen for the Health of Rural Children	  		V1.2,V1.3,V3.4
	Feature 3: Joyoung Food-Education Workshop for Nutrition and Health Education	 		V1.2,V1.3,V3.4
About Joyoung	Company Profile		G2-1,G2-6	P4.1,P4.3
	Corporate Culture			P4.2
	Company Events			
	Honors			
	ESG Management		G2-29,G3-1,G3-2	G3.5,G3.6
Chapter I Steady and Sustainable Development Guaranteed by Sound Governance	Corporate Governance and Information Disclosure		G2-9,G2-12,G2-13,G2-23,G2-24	G1.1,G1.2,G1.3,G1.10
	Investor Relations Management		G2-29	G3.6
	Risk Management and Internal Control			
	Intellectual Property Protection		G2-23,G2-24, G417-1	
	Information Security Management			S4.6
	Business Ethics and Anti-Fraud			G1.9
Chapter II Product Responsibility and Innovation	Innovation-Driven Development			V2.1,V2.2,V2.4
	Product Quality Assurance			S4.1
	Customer Experience Optimization			S4.1,S4.7,S4.8
	Responsible Marketing Strategies			S4.3

Contents	SDGs	GRI Standards	CASS-5.0
Chapter III Shared Responsibility and Win-Win Cooperation	Supply Chain Responsibility Management		S5.1,S5.3,S5.6
	Common Progress of the Industry		
	Industry-University-Research Cooperation		
Chapter IV Employee Empowerment and Joint Growth	Recruiting Compliance		G2-23,G2-24,G2-26,G405-1, S1.1,S1.2,S1.3,S1.4, S1.6,S1.7,
	Employee Development		G404-1,G404-2 S2.2,S2.4
	Safety and Health	 	G403-1,G403-2,G403-3,G403-5 S3.1,S3.2,S3.4,S3.5, S3.6,S3.7
	Employee Care		G401-2 S1.10
Chapter V Low-Carbon Development for Our Planet	Environmental Management System	 	G302-1,G302-3,G302-4,G302-5 E1.1,E1.6,E1.9,E2.1,E2.2,E2.3,E2.10,E2.11,E2.12
	Emphasis on Energy Efficiency and Carbon Reduction		E2.14
Chapter VI Love for People and Charity for Public Benefit	Public Benefit Activities Facilitating Rural Revitalization	    	G203-2 V1.2,V1.3,V1.4,V3.4,V3.5,V3.6,V3.7
Index of Indicators		A4	P1.1,P1.2,P1.3,G3.7
Independent Assurance and Statement of Opinion	G2-5	A3	P2.1,P2.2,A1
Reader Feedback Form		A5	G2.1,G3.2,G3.5,G3.6

Independent Assurance and Statement of Opinion

InFaith Group (hereinafter referred to as "InFaith"), as entrusted by Joyoung Co., Ltd. (hereinafter referred to as "Joyoung"), has conducted independent limited assurance of the environmental, social and governance information and data disclosed in Joyoung 2022 *Environmental, Social and Governance Report* (hereinafter referred to as ESG Report), and disclosed the assurance result and conclusion to readers of Joyoung ESG Report in the form of independent assurance and statement of opinion.

Independence and Capability

1. All the assurance team members of InFaith have no business relationship with Joyoung that leads to conflicts of interest; The team of InFaith has performed this assurance work independently.
2. The assurance team of InFaith consists of experienced ESG professionals in the industry. Relevant persons have received professional training on the GRI Standards issued by the Global Reporting Initiative, AA1000AS v3, ISO 14001, ISO 9001, ISO 26000, SA 8000, EcoVadis global supply chain rating and other sustainability-related standards and have adequate understanding and practical experience in relevant international principles, evaluation systems and assurance standards.

Assurance Statement

1. Joyoung management shall be fully held accountable for the preparation and content of the Report. It is the responsibility of InFaith to conduct an assurance based on the scope as described herein, and to provide professional assurance opinions to the Report readers and stakeholders.
2. Based on the assurance scope limits, InFaith shall, in accordance with AA1000AS v3, conduct independent limited assurance and guarantee conclusion for the matters within the scope defined in the Joyoung ESG Report (Joyoung management shall be fully held accountable for the preparation and content of the Report). In addition to providing independent assurance and making other statements of opinion on the facts of assurance under the conclusion, InFaith will not assume any legal or other liabilities for any inquiries for any other purposes, or for any other persons who read this Independent Assurance and Statement of Opinion.
3. If you have any questions about the contents contained herein or related matters, Joyoung will reply in a lump sum.
4. In the event of any conflict or inconsistency between the Chinese version and the English version of this Independent Assurance and Statement of Opinion, the Chinese version shall prevail.

Assurance Standard

InFaith adopts AA1000 v3 type-2 medium assurance level, which includes Joyoung's evaluation of the compliance situation and degree of the four AA1000 v3 assurance principles, including inclusiveness, substantiality, responsiveness and impact.

Assurance Scope

1. The assurance scope is limited to the information and data of Joyoung and its affiliated companies covered by the ESG Report, excluding the data and information of Joyoung's suppliers, contractors and other third parties.
2. InFaith adopts AA1000AS v3 type-2 medium assurance level to evaluate Joyoung's compliance nature and degree of the four assurance principles, including inclusiveness, substantiality, responsiveness and impact, as specified in AA1000AS v3.
3. Joyoung and InFaith have reached an agreement to select specific performance information in the Report as part of the assurance contents. The selected specific performance indicators are as follows:
 - Total consumption of purchased electricity
 - The water consumption
 - Total number of employees
 - Total length of training for employees
 - Total amount of public benefit investment
 - Total number of employees participating in volunteer activities

Assurance Process and Work

In order to gather evidence relevant to the formation of the conclusion, InFaith has done the following work:

1. Had interviews with the management team and employees of Joyoung, to understand the overall situation and relevant processes of the fulfillment of its environmental, social and governance responsibilities.

2. Verified key developments and policy implementation of the relevant Joyoung's organizations and reviewed supporting evidence for the claims made in the Report.
3. Through the interviews and the assurance of relevant documents, learned about Joyoung's main stakeholders and their expectations and demands, the specific communication channels between both parties, and how Joyoung responds to their expectations and demands.
4. Selected the relevant part of environmental, social and governance information in this Report, performed analytical assurance procedures for such information, confirmed the overall performance situation, and evaluated and verified whether the contents of the Report are complied with.
5. Verified the process management of the principles of inclusiveness, substantiality, responsiveness and impact in the Company Report and its related AA1000 to confirm the appropriateness of this Statement.
6. Sampled inspection on supporting evidence of data reliability and quality of selected specific performance information.
7. Recalculated and verified the selected specific performance information.
8. Performed other procedures that we deemed necessary.

Assurance Conclusions

1. According to the information provided by Joyoung and the sample test, there is no material misrepresentation in the ESG Report.
2. For the principles of inclusiveness, substantiality, responsiveness and impact included in AA1000AS v3, the detailed assurance conclusions are as follows:

Inclusivity

According to the Report, Joyoung has taken important measures including continuously seeking the participation of stakeholders in the business operation, understanding their expectations and concerns, communicating about and confirming substantive issues in a timely manner, etc., to respond responsibly and strategically to stakeholders related to the social responsibilities of the Company.

Materiality

Joyoung has announced major topics that will have substantial influence and impact on the evaluation, decision-making, actions and performance of the organization and its stakeholders, and judged and improved the management and performance of the issues.

Responsiveness

Joyoung has developed and implemented relevant policies, and is able to respond to issues that concern the stakeholders in a timely manner.

Impact

Joyoung has the adequate ability to identify substantive issues. It has implemented balanced and effective evaluation and disclosure methods, and has established a systematic process for monitoring, measurement, evaluation and management impact, so as to achieve more efficient management of decision-making and results within the organization, and demonstrate the impact of the substantive issues in an impartial and objective manner.

3. Based on the procedures implemented and the evidence obtained by InFaith, we have found nothing that causes us to doubt the reliability and quality of the specific performance indicators selected in the Joyoung ESG Report.

Limitation

The assurance process was carried out at the location within the scope of the Report.


Because there is no internationally recognized and commonly used standard for the evaluation and measurement of non-financial information, the application of different but acceptable information and measurement technologies may affect the comparability with other institutions.

If you have any advice for this Independent Assurance and Statement of Opinion, you may contact:

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Tina Zhong, Managing Partner
of the Sustainable Development
Department of InFaith
InFaith Group
Shanghai, April 2023

Reader Feedback Form

Dear reader,

Delighted to make your acquaintance.

Thank you for taking time out of your busy schedule to read the *2022 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 assessment of the Report's response to and information disclosure about the concerns of stakeholders?

Very good Good Average Poor Very Poor

3. In your honest opinion, how well does Joyoung fulfill its economic responsibility?

Very good Good Average Poor Very Poor

4. What is your assessment of Joyoung's fulfillment of its environmental responsibility?

Very good Good Average Poor Very Poor

5. In your opinion, how is Joyoung doing in terms of safety management?

Very good Good Average Poor Very Poor

6. How do you think Joyoung is doing in terms of employee responsibility?

Very good Good Average Poor Very Poor

7. What's your assessment of Joyoung's fulfillment of its community responsibility?

Very good Good Average Poor Very Poor

8. Are the information, indicators and data disclosed in the Report clear, accurate and complete?

Very good Good Average Poor Very Poor

9. Do you think the contents in this Report are easy to read in terms of arrangement and layout?

Yes No

10. Open Question

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

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