

2021

Environmental, Social and Governance(ESG) Report

Joyoung Co., Ltd.



About this Report

Time Range

This Report is the second corporate social responsibility report issued by Joyoung Co., Ltd. to stakeholders. The text information and performance in the Report are mainly for the period from January 1, 2021 to December 31, 2021. Some text information and performance may involve previous years or reflect policies and practices of 2022.

Scope of Report

The Report discloses responsibility information of Joyoung Co., Ltd. and its subsidiaries to fulfill economic, social and environmental responsibilities, and typical cases come from its affiliates.

Source of Information

The information and data disclosed herein come from internal official documents, statistical reports and annual reports of Joyoung Co., Ltd. The board of directors and all directors of the Company guarantee that there are no false records, misleading statements or major omissions herein, and assume jointly and severally liabilities for the authenticity, accuracy and completeness of the contents hereof. Financial data in this Report are in RMB. In case of any inconsistency with the financial report, the financial report shall prevail.

Company Names

- Joyoung Co., Ltd. (hereinafter referred to as "Joyoung" or "Company" or "we/us")
- Hangzhou Joyoung Household Electric Appliances Co., Ltd.(hereinafter referred to as "Hangzhou Joyoung")
- Hangzhou Joyoung Life Electric Co., Ltd. (hereinafter referred to as "Life Electric Co., Ltd.")
- Sharkclean (China) Technology Co., Ltd. (hereinafter referred to as "Sharkclean China")

Compilation Basis

- 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-CSR4.0)
- 2030 Sustainable Development Goals (SDGs) of the United Nations
- *ISO 26000: Guidance on Social Responsibility (2010)* of the International Organization for Standardization
- *Global Reporting Initiative Standards* (GRI Standards) of Commission on Sustainable Development
- *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

This Report is in electronic form for your reading. You may log onto the Company's official website (www.joyoung.com) or [cninfo](http://cninfo.com.cn) (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
Honors in 2021	04

Feature: Joyoung Space Kitchen	06
Feature: Joyoung Charity Kitchen	10

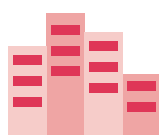
01



National Brand, Inheriting Corporate Culture 14

Company Profile	16
Corporate Culture	17
Company Events	18

02



Governance in a Steady and Far-Reaching Manner 20

Normative Governance	22
Information Disclosure	22
Investor Relations Management	23
Internal Control and Risk Management	23
Intellectual Property Protection	24
Information Security	25
Clean Practice	26
Party Conduct Construction	26

03



Work Together to Give Back to the Society 28

In terms of products, it manages to make quality breakthrough	30
In terms of employees, it is people-oriented	36
In terms of the industry, it seeks common development	47
In terms of the society, it makes common progress harmoniously	55

04



Take Hand in Hand to Build a Low-Carbon Home 58

Joyoung's Green Management	60
Joyoung's Green Operation	62

Index of Indicators	64
Independent Assurance and Statement of Opinion	66
Reader Feedback Form	68

Message from Chairman

In 2021, the world economy gradually recovered from the historic shock brought by the global epidemic. China has taken the initiative to assume its responsibilities as a major country and contributed the great Chinese strength. In the face of opportunities and challenges, Joyoung stands at the forefront of the tide, joins hands with its consumers, investors and partners to help each other and move forward.

With the national dream of flying in the sky, Joyoung people have striven for excellence. After eight years of unremitting efforts made by its R&D team, Joyoung's self-developed "Space Kitchen" was settled in the Chinese Space Station in 2021. Due to the severe challenges brought by the extreme "vacuum, weightlessness and no convection" environment in space, Joyoung's R&D team has kept breaking through technical difficulties and created a "Space Kitchen" that can ensure the supply of hot water and hot meals for astronauts in the space station.

Joyoung has been adhering to the core DNA of health and innovation, and actively exploring and developing in the training of science and technology talents, the control of R&D quality, the breakthroughs in high-grade, high-precision, advanced technology and other aspects. In 2021, Joyoung invested RMB357.2787 million in research and development, a year-on-year growth of 3.31%. With its insight into consumer needs and its own three-level R&D system, the company has launched high-quality products that users are willing to share and recommend for different groups and scenes, thereby improving the value of the products and brand. That is, Joyoung is committed to satisfying residents' yearning for a better life by innovative technologies.

In 2021, Joyoung formulated the brand strategy of "Enjoy Health with Space Technology", further developed the product advantages of "Joyoung + Shark" with its dual brands and multiple categories, and continued to accelerate its exploration and layout in intelligent, convenient and integrated small household appliances. By continuous technology and product innovation, efficient communications with digital customers and product realization, as well as fast and accurate marketing strategy, the Company can timely capture new market demands and rapidly make response, leading the industry growth.




Joyoung has actively undertaken its corporate social responsibilities, and joined hands with its stakeholders to develop charity kitchens. With a strong sense of times and social responsibility, Joyoung focuses on public welfare, continuously participates in education, poverty alleviation, environmental protection, disaster relief and other public welfare activities, striving to create value for the society. We have built thousands of "charity kitchens", supplying meals to more than half a million rural children every day. In 2021, Joyoung made charitable donations up to RMB10.831 million. As of the end of 2021, Joyoung donated over RMB90 million. As a leader in the industry, we have always been taking win-win cooperation as our business development concept, joining hands with partners from various fields to create a sound business ecosystem, and continuing to seek the synergy effect of "1+1 is greater than 2".

Joyoung attaches great importance to the sustainable development of the environment and has created an environment-friendly green production and operation environment. Taking health as the core, Joyoung adheres to the concept of harmonious coexistence between human and nature, and continuously inputs green genes into its business operation. We continue to conduct the "trade in" service, to properly dispose of recycled waste home appliances; we actively advocate green operation, promote the construction of green offices, vigorously implement environment-friendly projects, and spare no effort to address global climate change and achieve carbon neutrality.

In 2021, with the efforts of all Joyoung people, Joyoung made significant improvements in standardized corporate governance, public welfare services for the society and sustainable green operation. In the future, Joyoung will continue to expand and strengthen its brand equity value of "home kitchen + space kitchen + charity kitchen". Settled in China with a global perspective, we are committed to becoming a leading brand of high-quality small household appliances representing original innovations and a healthy lifestyle to meet our consumers' pursuit and yearning for a high-quality and beautiful life.

WANG Xuning, Chairman

Key Performance

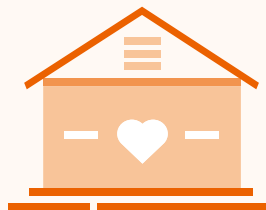
Type	Indicator	Unit	2019	2020	2021
 Economic performance	Operating revenues	RMB 0'000	935,144	1,122,375	1,054,047
	Net profits	RMB 0'000	80,576	91,631	70,131
	Total tax payment	RMB 0'000	35,075	49,153	34,288
	Total cash dividends (tax-inclusive)	RMB 0'000	82,843	76,703	76,702
	Cash dividend for every 10 shares	RMB	5.8	10	10
	Customer complaint handling rate	%	100	100	100
	Customer satisfaction degree	%	96.6	96.7	96.5
 Environmental performance	Power consumption intensity (power consumption per RMB ten thousand of revenues)	Kwh/RMB 0'000	13.47	11.30	10.66
	Water consumption intensity (water consumption per RMB ten thousand of revenues)	t/RMB 0'000	0.21	0.16	0.18
 Social performance	Number of employees	Person	2,950	2,846	2,915
	Proportion of female employees	%	33	33	35
	Employee training coverage	%		95.57	100
	Public welfare expenditure	RMB 0'000	741.6	823.4	1,083.1
	Number of volunteers	Person	357	445	409

Honors in 2021

- Joyoung's "Smart Space Kitchen" went into space by taking the core module of Tianhe
- Won the Friendly Food System Award of the Year granted by the United Nations Food System Summit



- Won the Sustainable Development Award
- Won the A-Share Listed Company Social Responsibility Award
- Won the title of the Most Socially Responsible Listed Company in the List of Listed Companies in China
- Won the gold award in the Small and Medium Investor Relations Interactive Award
- Won the title of the Best Board of Directors of a Listed Company in the List of China's Listed Companies
- Won the Red Top Charity Award



- Won the title of China's Top 100 Light Industry Technology Company, and won the award of China's Most Influential Small Household Appliance Brand for 13 consecutive years
- Won the title of the China's Top 100 Light Industry/Technology Enterprise
- Won the title of the National E-commerce Demonstration Enterprise
- Won the title of the National Consumer Goods Standardization Pilot Enterprise
- Won the New Retail Digital Intelligence Pioneer Award
- Won the five-star "After-sale Service Certification"
- Won the first prize for Outstanding QC Achievements in Zhejiang Province
- Won the title of Shandong Provincial Smart Factory
- Won the title of Major Enterprise in Household Appliance Industry Chain of Shandong Province
- Won the title of "Intelligent Manufacturing Benchmark Enterprise of Shandong Province"
- Won the Hangzhou Municipal Government Quality Award



Feature



Joyoung Space Kitchen



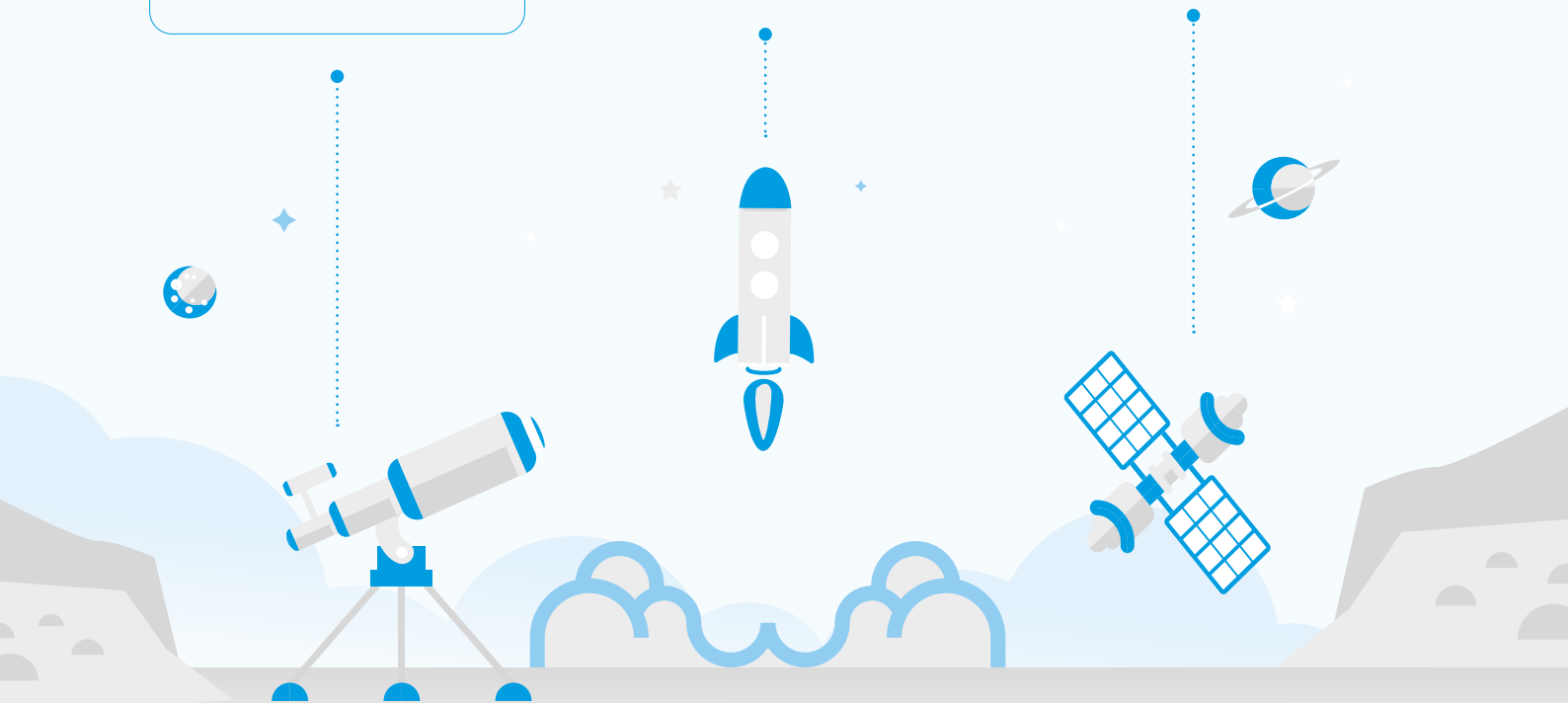
On September 21, 1992, the Standing Committee of the Political Bureau of the CPC Central Committee made a strategic decision to implement China's manned spaceflight program. This manned space program of China was named "Shenzhou", code-named "921", which clarified the "three-step" development strategy of manned space program, and thus opened a new page of China's manned space undertaking.

Strategic decision on China's manned space program

The first step was to launch unmanned and manned spacecraft to safely send astronauts into a low-Earth orbit, conduct earth observation and scientific experiments, and send the astronauts back to the ground safely.

The second step was to break through the rendezvous and docking technology of manned spacecraft and space vehicles, launch a space laboratory, and resolve space application problems with a certain scale under short-term care.

The third step was to build a space station to resolve large-scale space application problems under long-term care.



The development of manned spaceflight is of great significance to a country, a nation and even the whole mankind. China's manned spaceflight program will greatly improve our scientific and technological level and help us to occupy the high-tech forefront in the world, and plays a huge role in enhancing the pride and cohesion of the Chinese nation and improving our comprehensive national strength and international status. Joyoung has participated in the construction of the national manned spaceflight program, which is not only a high-tech scientific research program, but is also a heavy responsibility. Joyoung is committed to contributing to the common theme of mankind, so that the Chinese nation can make the thousand-year dream of going to the outer space and living in other planets come true.

In 2014, Joyoung undertook the Chinese Space Kitchen Program. From the spacecraft to the space station, the time the astronauts stay in space gradually became longer. So how to ensure that the astronauts could have three hot meals a day and have clean drinking water every day during the "space journey" became the original intention of Joyoung to set up the Space Kitchen program. As an important part of the life support system for astronauts in the space station, the Joyoung Space Kitchen program would resolve the problems of meals and drinking in the extremely harsh outer space environment of "vacuum, weightlessness and no convection" through its independently-developed innovative technology, and resolve and satisfy the need of the astronauts for food and water required for long-time life in the space, to ensure their basic physiological needs and provide a great support for the long-term and development of their missions in the space station.

Since then, we have successfully developed a hot air heating device and a drinking water dispenser. The hot air heating device is used to heat aerospace food and make yogurt, and the drinking water dispenser is used to supply drinking water to astronauts in a quantitative manner, so they can have hot meals and clean water. In addition, the intelligent IoT control APP carried by the Space Kitchen is also a successful achievement of the Joyoung Space Kitchen Program team, which is used to control all kitchen products in the space station.





Joyoung helps with China's aerospace undertaking



R&D personnel carrying out debugging of products at the Astronaut Research and Training Center



◀ R&D personnel took a group photo under the plaque of "Space Spirit"

Many a little makes a mickle. Over the past 8 years, Joyoung has adhered to the indomitable spirit and the original intention of contributing to China's aerospace industry, made experiments repeatedly and tirelessly, and strived to provide astronauts with satisfying meals.

"Space Kitchen", a popular science kitchen ▶

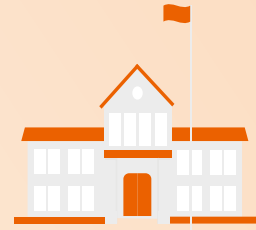


In April 2021, the "Tianhe Core Module" of China's space station was successfully launched into space from Wenchang, China. The "Smart Space Kitchen" developed by Joyoung entered into the space by taking Tianhe core module to better meet the astronauts' needs for food, drinking water, health and nutrition in their long-term space life.

◀ Tianhe Core Module of the space station was launched into space

Feature

Joyoung Charity Kitchen

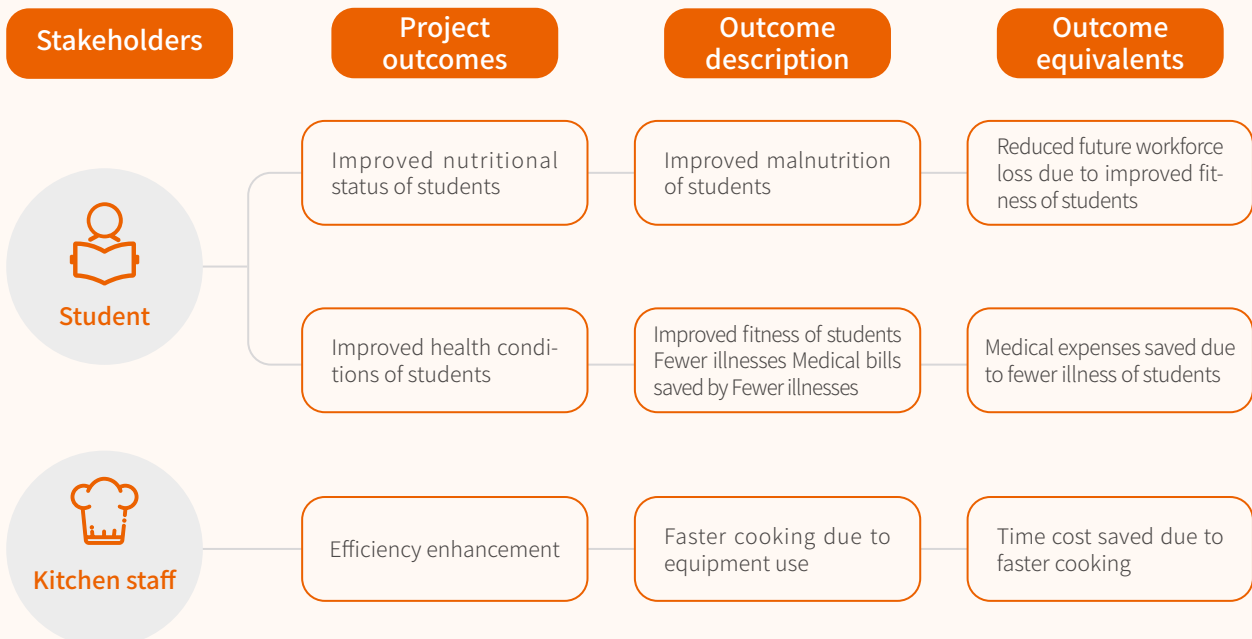


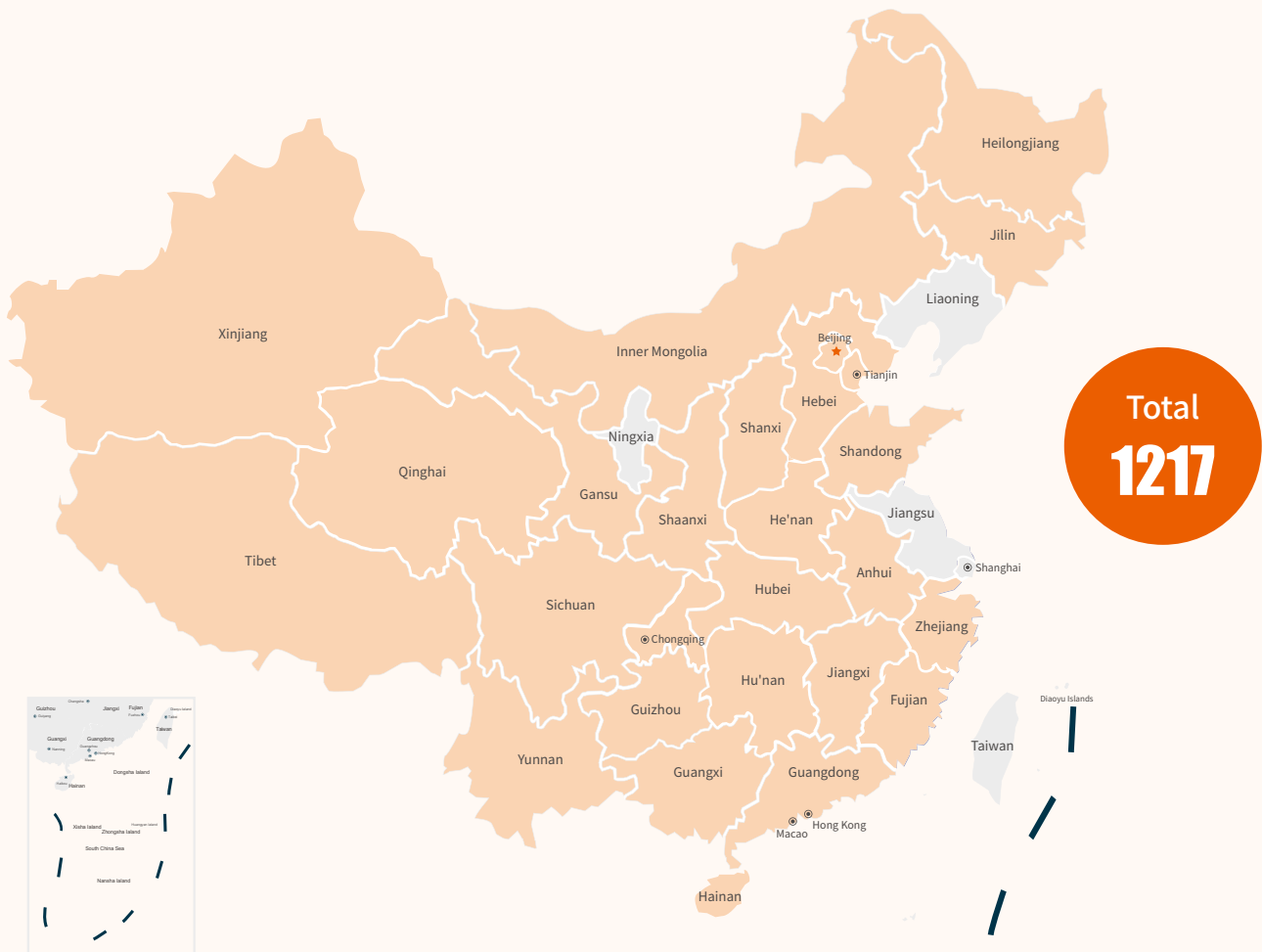
The diet and health of children in rural areas has always been a social issue that Joyoung is concerned about. Back in 2010, Joyoung donated RMB50 million for "Joyoung Hope Fund" through China Youth Development Foundation, to build over 1,000 charity kitchens in ten years.

The implementation of the program has effectively improved the environment and sanitation conditions of school kitchens in rural areas, improved the ability and efficiency of meal supplies, and ensured that students can have safe, clean and nutritionally balanced meals. In 2019, evaluation data from a third-party institution showed that the number of students having meals in schools under the program increased by 34% on average, the per capita energy cost of students having meals decreased by 18%, and the malnutrition rate of students in the schools under the program decreased by 14.92%. In the sampling survey in the fifth grade, the average height growth of boys was 1.25cm, and that of girls was 1.57cm, with an overall average growth of 1.43cm. Compared with the baseline data in 2010, in the fifth grade of the schools under the program, the average height growth of boys is 5.56cm, the average height of girls is 3.92cm, with an overall average height growth of 4.68cm.

Practice has proved that the Joyoung Charity Kitchen Program has effectively contributed to the implementation of the "Nutrition Improvement Plan for Students under the Compulsory Education Program in Rural Areas", and has gradually become an important way to improve their nutrition with both practicality and sustainability. For over ten years, Joyoung has focused on poverty relief in the field of nutrition and health of students in poverty-stricken areas. Joyoung's charity practice has been recognized by the government and relevant social organizations. It used to be selected as one of the Top 50 Enterprise Cases of Targeted Poverty Relief by the State Council Poverty Alleviation Office in 2019, and was included in the 2020 "Yearbook of China's Poverty Alleviation and Development". Besides, Joyoung also won honorary titles such as "Top 10 Charity Project Award" in the 16th China Charity List, "Outstanding Contributor to the 30th Anniversary of the Hope Project" and the 3rd "China-Europe Social Responsibility Poverty Alleviation Award".

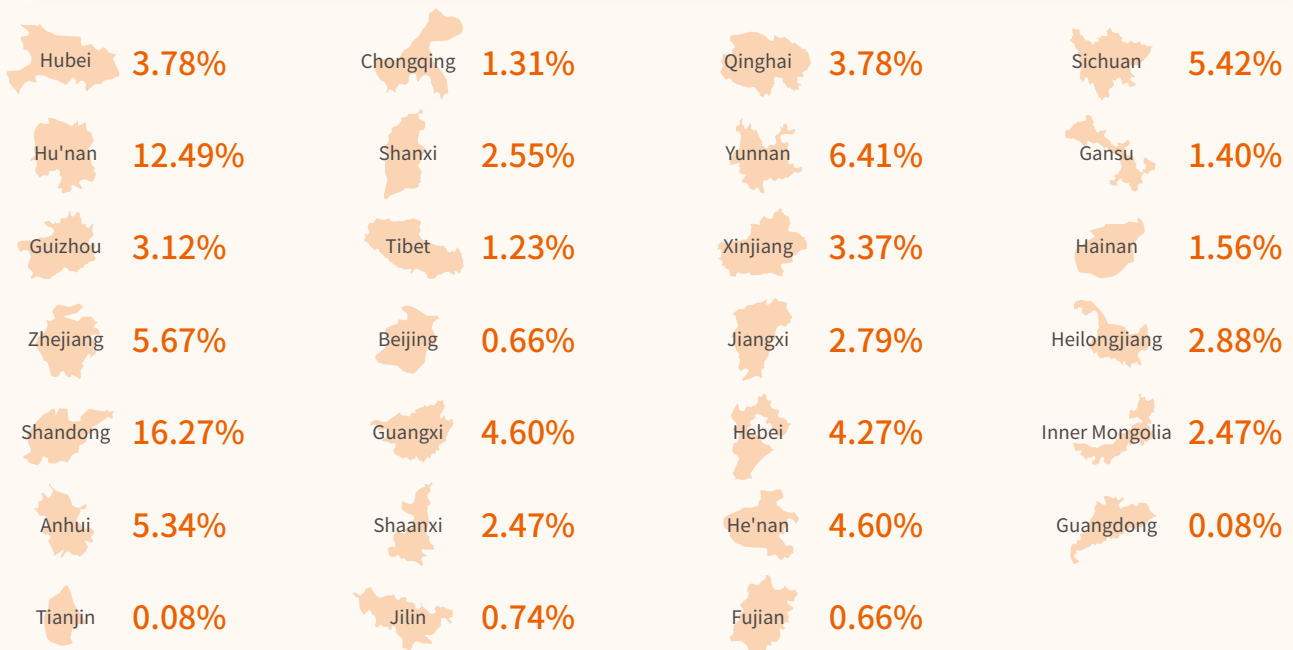
Key achievements and achievement equivalents made by the public welfare project of "Joyoung Charity Kitchen"

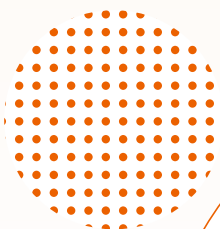
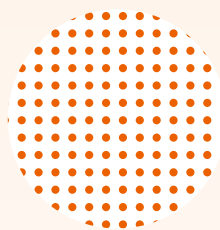




This picture is only a schematic diagram and does not represent a real map

Regional distribution of Joyoung Charity Kitchen





With over ten years of practice in charity undertakings, Joyoung and its founder team initiated the establishment of the Zhejiang Joyoung Foundation on December 28, 2020. Its core program aims to donate and build no less than 1,000 smart, environment-friendly "Joyoung Charity Kitchen" for Joyoung schools in underdeveloped areas, to promote the construction of professional, efficient and environment-friendly electrified kitchens in rural schools, be committed to improving the environment and hygienic conditions of school kitchens in rural areas, improve the energy efficiency of meal supplies, and safeguard the healthy growth of rural children.



Old appearance of the model "Charity Kitchen"

In the next decade, Joyoung will donate no less than RMB50 million to Zhejiang Joyoung Foundation, Chairman Wang Xuning and its founder team will donate no less than RMB60 million, and there will be no less than RMB110 million of donation to support Joyoung Charity Kitchen and other charity programs. In 2021, under a new platform of the Foundation, the funding standards and contents of the charity kitchens that have been cultivated for ten years were comprehensively upgraded, from the original average of RMB30,000-50,000 per kitchen to RMB80,000-100,000 per kitchen, forming a funding system based on three major sectors, including rural school kitchen plan construction, electrical and intelligent kitchen equipment, and scientific dietary empowerment. As of the end of 2021, the program has covered 222 counties in 27 provinces and regions nationwide, and a total of 1,217 schools have been completed, benefiting over 500,000 teachers and students every day.



Promote the construction of standardized model kitchens

With the implementation of "Healthy China", "Labor Education" and other national policies, in 2021, Joyoung Foundation and the school have explored a new model for the sustainable development of the food-education program, and updated "Food-Education Workshop", a new model that integrates five education aspects. The program includes four dimensions including "design guidance + teaching aids + food-education courses + teaching empowerment", to develop courses and teaching aids, train teachers, and establish food-education summer camps, food-education creation camps and other multi-brand program development modes.

The upgraded version of the Food-Education Workshop is based on an educational space for kitchen scenarios, which is realized through labor education or nutrition and health education courses. With cooking as a teaching carrier, it promotes traditional food culture, imparts nutrition and health knowledge, cultivates good eating habits, in this way, children are guided to explore their relationship with themselves as well as other people, the society and the nature, and finally develop an enriched human nature and a healthy personality. In the past year of 2021, Zhejiang Joyoung Foundation funded 34 schools successively, totaling 134 schools.



Joyoung Food-Education Workshop

As of the end of 2021

Joyoung has funded a total of **134** Food-Education Workshops



01

National Brand Inheriting Corporate Culture





Joyoung 九阳

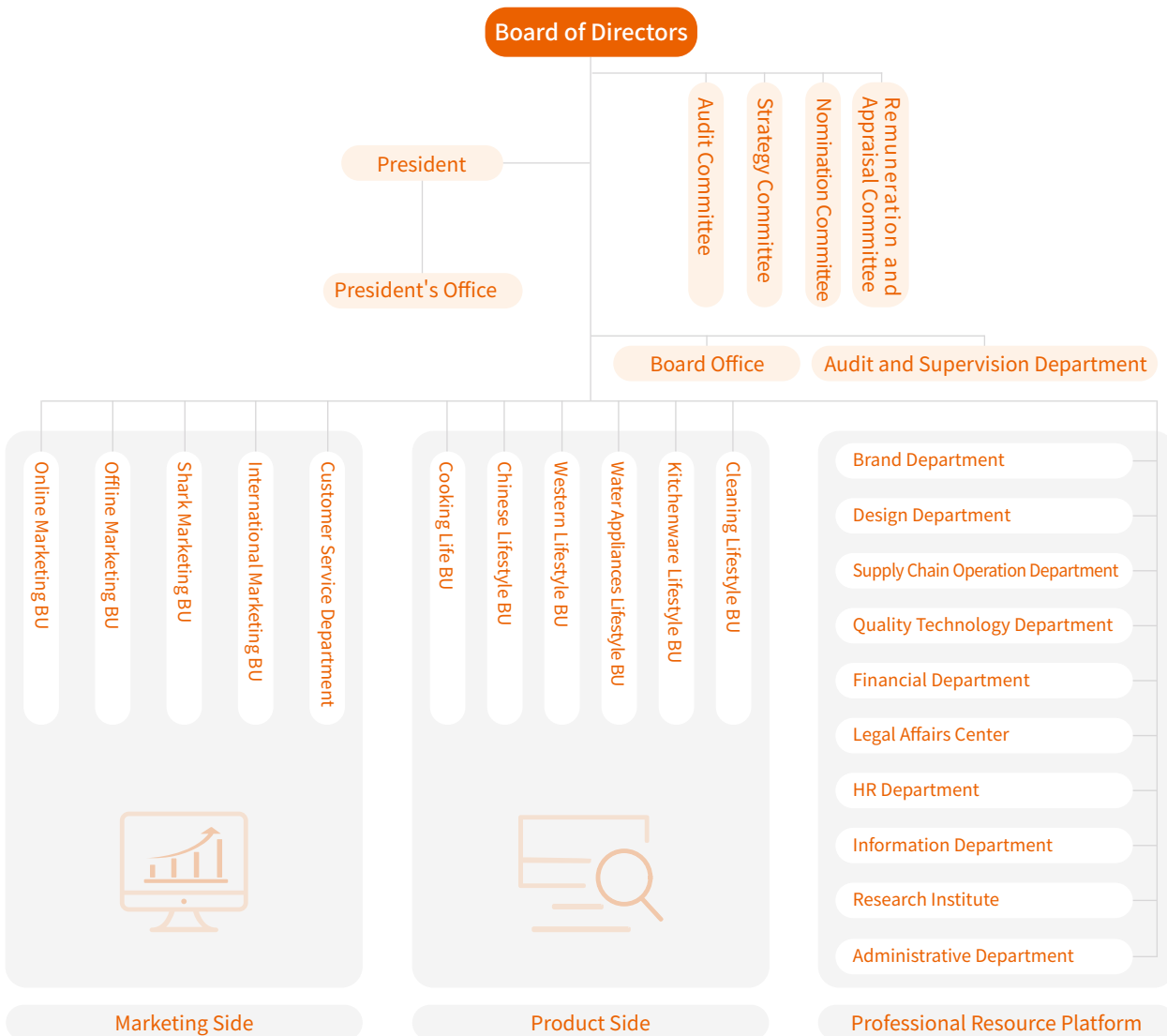
Joyoung 九阳

Company Profile

Joyoung is a modernized company focusing on the R&D, production and sales of kitchen appliances. In 1994, Joyoung invented the world's first soy milk maker. Over the past 28 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 1,217 Joyoung charity kitchens, benefiting over 2.6 million people in ten years. In 2020, "Zhejiang Joyoung Public Welfare Foundation" was established by Joyoung, opening a new chapter of Joyoung's public welfare undertaking.

In order to respond to the general trend of consumption upgrading, the Company has promoted its featured "self-cleaning" blender, soy milk maker and "uncoated" steam rice cooker. Meanwhile, to cater to the needs of the Generation Z, it has launched IP co-brand products with linefriends, Coca-Cola, Heytea, hellokitty, Pikachu, etc., which are popular on the Internet. These IP co-brand products focus on a brand image of Joyoung style, nutrition release and R&D of Chinese cooking procedures. While rejuvenating the brand, the appearance of products is more delightful, the experience of users is more "enjoyable", and the life of people is more "healthy".

Organizational Structure of the Company



Corporate Culture

Vision

Become a leading brand of quality small home appliances representing original innovation and a healthy lifestyle.

- Take innovation and health as the core DNA of the brand
- Vigorously promote the stratification of the product circle and brand rejuvenation
- From kitchen appliances to home appliances and cleaning appliances
- Become a leading brand of quality small home appliances



Mission

Be committed to helping global consumers enjoy a healthy life, with high-quality small home appliances that make a better home!



Core values

People-oriented

Respect employees, care for employees, cultivate employees, and recognize employees

Take pride in the achievements and development of employees, create a fair, just and transparent working environment, and innovate based on the people-oriented principle.

Teamwork

Encourage teamwork

Encourage employees to consciously integrate into the team, rely on the team to realize personal development, and cultivate the ability and habit of conscious communication and collaboration.

Responsibility

Be a responsible enterprise that benefits the society

Keep being responsible for users, employees, partners and shareholders, and require employees to be sincere, down-to-earth and faithful.

Health

Choose a healthy business and make healthy products

Health is a core quality of a career. Pursue simplicity, efficiency and standardization, and provide employees with a healthy working platform. simplicity, efficiency and norms, and provides the employees with a healthy work platform.



Brand strategy

- Space technology, to enhance the technological sense of its products
- Home kitchen + space kitchen + charity kitchen



Company Events

1994

Joyoung invented the world's first soy milk maker.

2008

Joyoung was successfully listed on the Shenzhen Stock Exchange. Over 10 million Joyoung soy milk makers were sold in the same year.

2004

The sales of Joyoung soy milk makers exceeded 1 million.



2010

Joyoung donated RMB50 million to set up the "Joyoung Hope Fund", to launch Joyoung Charity Kitchen Project.

2021

The "Space Kitchen" (drinking water dispenser, hot air heating device and aerospace smart APP) developed by Joyoung would be stationed in the Chinese space station by taking the Tianhe core module, to ensure astronauts could have healthy drinking water and hot meals.

2014

Joyoung has become one of the earliest companies to participate in the development of the national manned space program, and has officially undertaken the development task of the Space Kitchen Program for China's first space station.



02

Governance in a Steady and Far-Reaching Manner





Normative Governance

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 the *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, *Code of Corporate Governance for Listed Companies* and other relevant laws and regulations, and has established the general meeting, the board of directors, the subordinate special committees, the board of supervisors and the management. In accordance with the actual development of the Company and requirements under regulatory authorities, it has established a multi-level management system based on the *Articles of Association*, covering all aspects of its operation, to promote the continuous optimization of the corporate governance structure, further the standardized operation of the Company, and effectively safeguard the rights and interests of the Company and all shareholders.

General meeting

The Company regulates the convention, holding and voting procedures of the general meeting strictly according to provisions and requirements under the *Articles of Association*, *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 2021

the Company held a total of **3** general meetings



Board of directors

The Company, strictly in accordance with relevant provisions and requirements under the *Articles of Association*, *Rules of Procedures for the Board of Directors and Working System for Independent Directors* and as guided by the general meeting, 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 conscientiously, and performed their duties diligently.

As of the end of 2021

the Company's board of directors consists of **7** directors and **3** independent directors, including **3** female directors

In 2021, the Company held a total of **7** board meetings



Board of supervisors

The Company elects supervisors strictly according to the *Articles of Association and the Rules of Procedures for the Board of Supervisors* and other relevant regulations, and supervises the performance of the duties by the directors and senior officers by formulating the *Rules of Procedures for the Board of Supervisors*.

As of the end of 2021

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

In 2021, the Company held a total of **6** 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 the *Securities Law of the People's Republic of China*, *Information Disclosure Management System* and other regulations.

In 2021

the Company issued **107** 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" (<http://irm.cninfo.com.cn/>) of Shenzhen Stock Exchange, 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.

- ▲ The Company won the "Investor Relations Gold Award"
- ▲ The Company won the "Sustainable Development Award"
- ▲ The Company won the "Most Socially Responsible Listed Company"
- ▲ The Company won the "Best Board of Directors of a Listed Company"
- ▲ The Company won the title of "Top 10 Companies Most Favored by Users in China" of Whale Fall Award

Internal Control and Risk Management

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 the *Internal Audit Control Procedures*, *Risks and Opportunities Control Procedures*, *Emergency Preparation and Response Control Procedures* and other systems, and carries out risk training courses, to standardize the management of risk management and control procedures.

Strategic Layer

- Strategy formulation and execution review
- Internal control environment
- External environment

Planning Layer

- Planning
- Monitoring execution

Operation Layer

- Product lifecycle management
- Channel management
- Operation management
- Basic R&D management

Support Layer

- IT system security and business project management

▲ Online Risk Training Course

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, we have established a complete system for patent risk control and trademark protection, given patent protection for our 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 *Intellectual Property Rights Management System* and the *System for Rewarding Star Patents* have been formulated, for rewarding authorized patent inventors, and encouraging technicians to actively exert their subjective initiative and explore patent points in design and improvement work.

During the reporting period, the Company has **2,068** newly added patent application rights, including:

- **206** invention applications
- **1,654** utility models
- **208** design applications



As of the end of the reporting period, the Company has a total of **10,129** patented technologies, including:

- **543** invention applications
- **8,277** utility models
- **1,309** design applications



Patent exploration process for steam rice cookers

Background: With the fierce competition and uneven quality of product quality, as well as coating peeling incidents that affected people's food safety, the steam rice cooker technology came into being at the right moment. The steam rice cooker is a differentiated technology promoted by the Company, which helps with the Company's high-end rice cooker route.

Process: Combined with the search and analysis of existing technologies, Joyoung's technical solutions have been dug up and protected for a number of times, forming a batch of high-quality patents.

Data: There are over 200 patent applications based on the steam rice cooker project, including over 10 invention patents.

Result: The steam rice cooker patent cultivation project submitted with the core patent as the core element participated in the "Yangtze River Delta High-Value Patent Competition", and won the third prize. The technical innovation of Joyoung has been well protected through a series of patents, and a sound patent barrier has thus been built, making steam rice cooker products unique to Joyoung.



▲ The core patent of Joyoung's steam rice cooker won the third prize in the "Yangtze River Delta High-Value Patent Competition"

Information Security

Based on the philosophy of "reduce information risks and help with the stable development of the Company's business", Joyoung adheres to maintaining information security, creates a safe network environment, and formulates the *Online Management Rules on Information System*, *Joyoung Information Security Policy*, *Rules on Information Security Incidents Management*, *Rules on Personal Information Protection Management* and other information security rules, improve the construction of the data security management system, fully implement information security protection, and pass the ISO27001 information security certification.

In 2021, the Company upgraded its data security capabilities in accordance with relevant requirements under national data security policies.

- Develop the classification and grading standard for sensitive data**

2 categories, 98 items in 18 sub-categories, and three-level standards
- Launch a sensitive data discovery platform**

18 databases, 5,606 sensitive data sheets and 7,208 sensitive fields in a row
- Issue the *Personal Information Protection Management Rules***

Regulate the collection, use, sharing, transfer and disclosure of personal information
- API Risk assessment**

Assess 394 API interfaces, finding a total of 29 risky APIs, all closed-loop
- Formulate the *Sensitive Data Desensitization Specifications* and *API Interface Security Specifications***

Clarify data desensitization and API usage specifications
- Study API security tools and Shardingsphere desensitization tools**

Provide tool support for the utilization of capabilities



ISO27001 Information Security Certification



The Company engages a third party to conduct IT vulnerability analysis on the Company's systems



Clean Practice

Joyoung attaches much importance to improving the anti-corruption mechanism, formulates the *Anti-fraud Management Rules*, the *Auditing Supervision Management Rules* and *Complaint and Suggestion Management Rules*, establishes various channels to accept complaints and suggestions from its employees, suppliers, distributors, consumers, etc., reviews the implementation of business ethics, anti-corruption and anti-bribery rules on a regular basis, and holds training sessions on clean practice, so as to standardize the professional conduct of all employees, establish a good atmosphere of honesty and dedication, and prevent the occurrence of any damage to the interests of the Company and shareholders.

In 2021

- the Company carries out **7** professional ethics training sessions
- the WeChat public account "Honest Joyoung" published **17** integrity propaganda articles



Party Conduct Construction

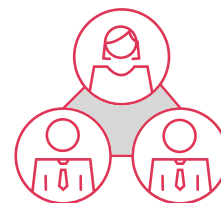
Featured Party-building

Joyoung adheres to the guidance of Xi Jinping's Socialist Thought with Chinese Characteristics in the New Era, and integrates Party-building into the Company's business development. It has created a "365" characteristic Party-building activity mechanism, and has won the title of "Advanced Grassroots Party Organization in Qiantang District, Hangzhou". In 2021, the Company built a Party-building culture exhibition hall, which has passed the acceptance by the superior Party working committee.



Constitution of Party members

Joyoung strictly adheres to the principle for the approval of applications for joining the Party, recruits those that are politically correct, have faith, abide by rules and disciplines, act with moral integrity, have good characters, make contributions and have achievements into the organization, makes overall plans, adjusts the structure in a planned and step-by-step manner, attaches much importance to the development of first-line Party members, and promote the development of female members, higher-education members and ethnic minority members.



Party day events

Joyoung attaches great importance to the combination of political education and social practice. In 2021, the Company has organized a total of 79 themed Party day event such as "Learning the Spirit of the Sixth Plenary Session of the 19th CPC Central Committee", and carried forward the knowledge of Party history, enhanced the sense of belonging of Party members and played the vanguard and exemplary role of Party members through various themed Party day events.



Activities on the 100th anniversary of CPC

Participated in the chorus competition of the Medical Port Party Working Committee and won the second prize

Party-Building Culture Exhibition Hall

跟党走 药创新

03

Work Together to Give Back to the Society





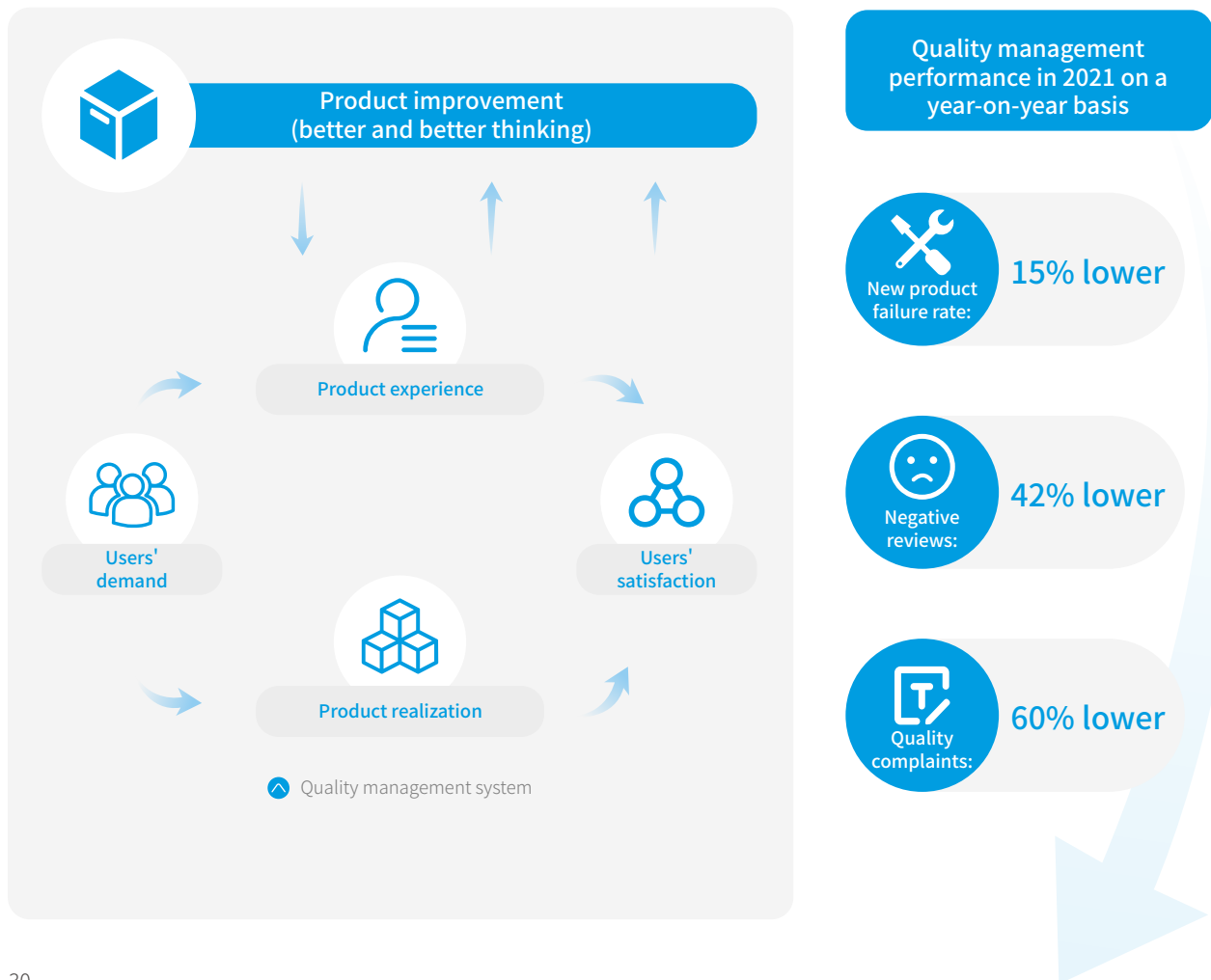
In terms of products, it manages to make quality breakthrough

The Company constantly explores customer needs, advocates a healthy diet lifestyle, is committed to continuous innovation of products and services, keeps improving product quality and customer experience, and creates healthy, convenient and high-quality dietary solutions for customers.

Quality Management

In accordance with the ISO9001 standard as well as special requirements of customers, the Company has adopted the process method, integrated all terms under the quality management standard into the process, established a documentary quality management system, and formed management manuals, procedural documents and other system documents, to meet the needs of customers, improve their satisfaction degree, and comply with laws and regulations.

Joyoung's quality management value logic not only includes improving the yield rate, reducing complaints and reducing losses, but more importantly, pleasing users, and winning market advantages and brand advantages. Make "good products" that have obvious quality selling points and meet users' expectations; "do well" in products, and realize good quality during the whole process, in all elements, and with all employees, from users and customers to products, so as to meet users' needs and expectations based on products and capabilities.



Product Innovation

Technology is the primary productive force. Accelerating the transformation of scientific and technological achievements can not only lay a solid foundation for economic growth, but can also inject new momentum into the long-term development of the Company and even the whole industry. Joyoung focuses on innovation, and keeps improving the innovation capability and sustainable development capability of the Company in order to fully tap the potential of its employees, so as to ensure the Company's continuous and rapid development. Joyoung attaches great importance to the atmosphere of innovation, and has established an innovation incentive and reward system and the Joyoung Innovation Day. Its internal key innovation events include two programs, namely, "Product Innovation & Resolutions of Key Problems" and "Product Innovation Competition".

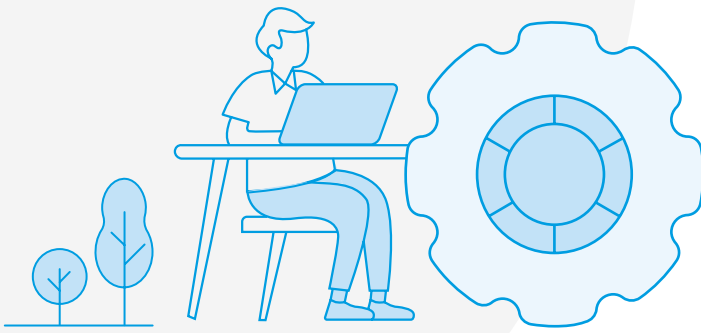


In 2021, the Company continued to increase the investment in R&D, explored and developed forward-looking innovative technologies, focused on mainstream rigid-demand categories, improved R&D systems and mechanisms, and introduced high-end R&D talents, to effectively promote technological progress and innovation. The Company invested RMB357,278,700 in R&D, a year-on-year growth of 3.31%, accounting for 3.39% of its revenues.

Innovation Incentive Mechanism

In order to create an atmosphere of product innovation, trigger the enthusiasm for innovation, improve the competitiveness of the Company's products, and promote the long-term development of the Company, the Company has been actively promoting technology sharing, and encouraging the application of technologies across different product lines, to realize the transplantation, integration and leap of innovation. The Company has built an innovation platform, guided the implementation of innovative ideas, and launched various innovative activities to promote the sense of accomplishment of new personnel, so as to realize the implementation of technology-driven product force strategies and facilitate the development of products and technologies.

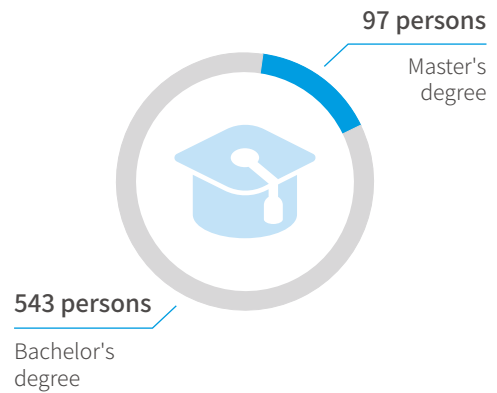
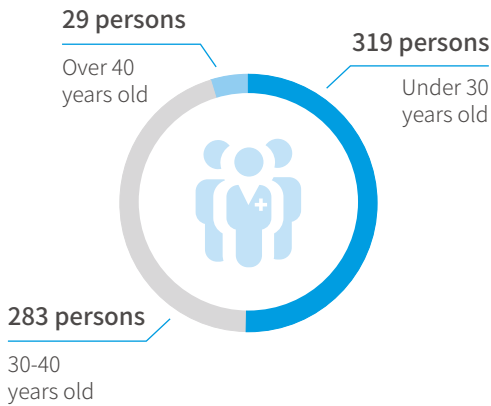




Total number of R&D personnel of Joyoung: **631**

R&D investment

2019		RMB330 million
2020		RMB346 million
2021		RMB357 million



Featured products in 2021

Living cleaning products



Wet and Dry Vacuum

Dust collection, mopping and washing just with one click

Cookware products



Wear-resistant Non-stick Wok

For both stir-frying and sauteed food, with a light weight easy to handle

Water and household products



Water Purifier & Heater

Joyoung Space Water Purifier & Heater, a water purifier that can distribute warm water

Cooking and living products



Soy Milk Maker

Three-in-one for fine high-speed blending



Blender

Silent high-speed blending, fine and filter-free



Blender

Ultra-thin shape, low-noise high-speed blending, and unique heating sterilization technology



Smart Noodle Maker

Smart weighing, automatic water feeding, and different types of food each day in a week

Chinese lifestyle products



Carbon Steel Kettle Rice Cooker

Newly launched binchotan far-infrared endothermic liner



Uncoated Steam Rice Cooker

Safe design without coating



Electric Pressure Cooker

Lean, healthy and light meals



Electric Chafing Dish

The Industry's first 2000W quick electric chafing dish

Western lifestyle products



Air Fryer

Air-fried cuisine with enhanced delicacy



Toaster

Crispy and delicious baked toasts



Electricity Cake Clang

Give food just the right warmth



Health Pot

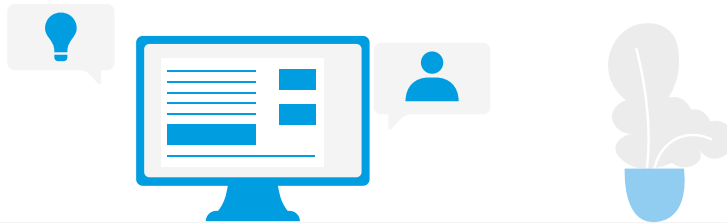
Finely boiled and stewed drinks to give you comfortable and healthy enjoyment

Sunshine Service

The Company has created the "Sunshine Service" after-sales brand, adhered to the service philosophy of "integrity, warmth, transparency and happiness", established a high-quality customer service team and a customer complaint handling management system, handled content inquiries, complaints, feedback and other demands from customers both on line and off line, resolved various complaints in a timely manner, conducted customer satisfaction surveys on a regular basis, and provided users with professional, efficient and satisfying services. In 2021, the Company obtained the five-star after-sales service certification.



Five-star after-sales service certification



Joyoung Sunshine Service

Excellent service network

The 2,000 stable professional outlets, unified store image and sales-marketing integration, making it No. 1 in the industry

Efficient demand resolution

Through the advanced human-computer interaction and time-limited closed-loop mechanism, the efficiency of meeting user needs is better than the industry average.

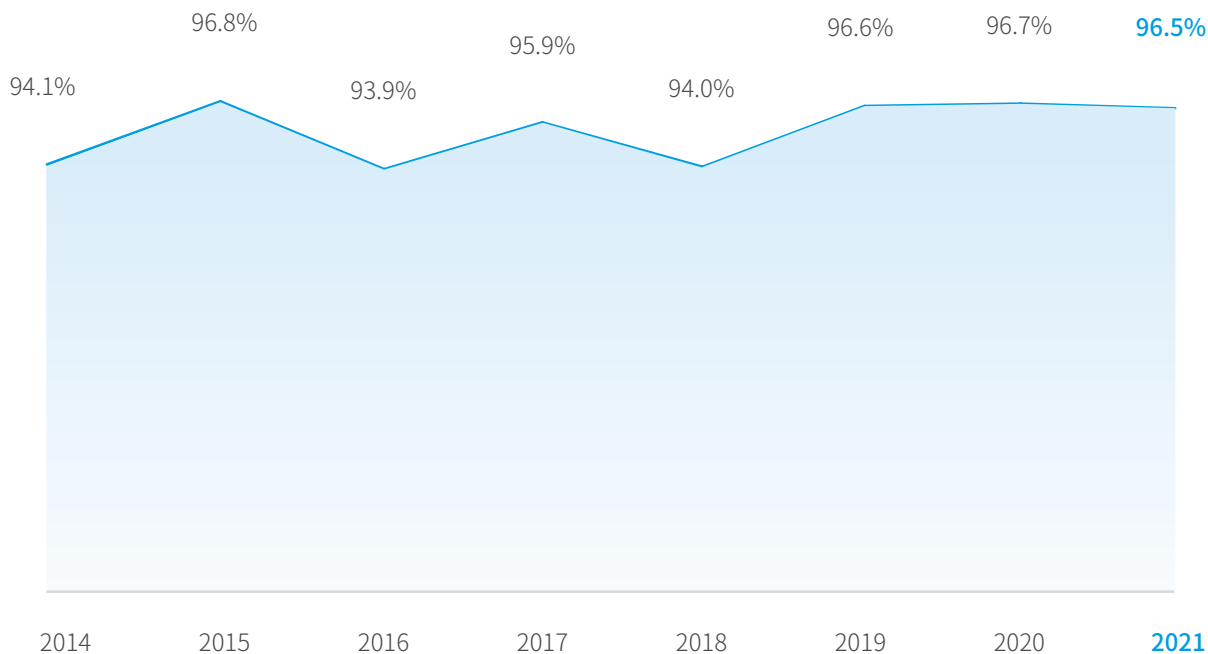
Convenient service encounter

Proactively embrace new demands for interconnected services, and facilitate users' consultation and complaints in a multi-channel and multi-mode manner

Professional service team

4,000 professional engineers, with an average working age of over 5 years, who have received corresponding pre-job training and are subject to star-level assessment management

Trend in service satisfaction in recent years



Customer satisfaction survey

Note: Satisfaction degree in the survey = overall satisfaction degree * 0.1 + store maintenance satisfaction degree * 0.4 + local service hotline satisfaction degree * 0.3 + service policy satisfaction degree * 0.2

Strong supply of accessories

With a systematic planning, reserve, distribution and emergency mechanism, the spare parts supply industry leads the industry

Win-win customer cooperation

Adhere to professional services, match product and channel reform, meet customers' needs, and achieve win-win cooperation

Unique value-added services

Provide characteristic services that have great influence in the industry such as extended warranty, trade-in and "five-free" security inspection.

Advanced service digitization

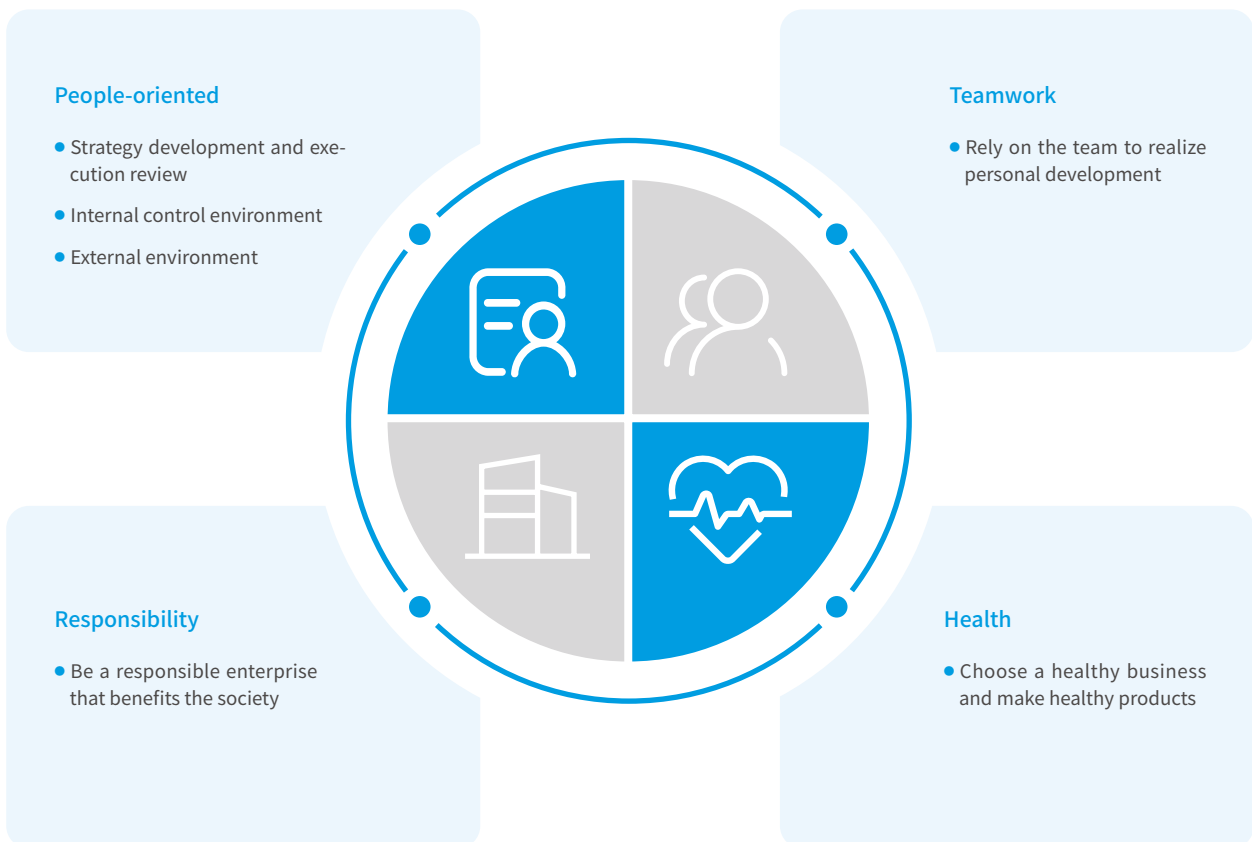
Vigorously promote the application of online services and online data application, and increase the efficiency of the service process by 50%

In terms of employees, it is people-oriented

In accordance with the Company's development strategy, Joyoung follows the philosophy of "talents are the first resource" and the employment policy of "people-oriented, combining with morality and capability", formulates its own human resources development strategy, and builds a comprehensive human resources management system with the integration of "selection, cultivation, use and retention". In the past three years, it has invested nearly RMB 18 million into training, established online learning platform of Xiaoyang Academy and implement the "Dream-Making Program, Star Program, New Talents Program, Blade Program, TRIZ Training Camp, Product Manager Training Camp, Project Manager Training Camp, New Leader Workshop, Executives Academy" and many other training programs for staffers at various levels. Joyoung has also launched a special training campaign for its senior executives under the program of Huawei Business Leaders, built a learning and empowerment system involving both front-line employees to senior executives, and created a dynamic talents incentive and growth mechanism, which can effectively promote core competitiveness and promote the common development of the organization and the employees.

Talent Philosophy

The Company adheres to the core values of "people-oriented, team work, responsibility and health", insists on people-oriented innovation, takes pride in the achievements and development of its employees, creates a fair, just and transparent working environment for the employees, and encourages the employees to be consciously integrated into the team, relies on the team to realize personal development and cultivate the ability and habit of conscious communication and cooperation. It also insists on being responsible for its users, employees, partners and shareholders, requires the employees to be sincere, down-to-earth and faithful, pursue simplicity, efficiency and norms, and provides the employees with a healthy work platform.



Joyoung's talent view



Ability

Learning ability

With the motivation and perseverance for continuous learning, pay attention to personal growth and constantly iterate the knowledge system

Teamwork

Be willing to share useful information and resources, be able to solicit and listen to others' experience, perspectives and opinions, learn from and collaborate with each other, and achieve common goals



Enthusiasm

Passionate about work

Always maintain a positive energy and enthusiasm towards work, always be able to complete tasks or fulfill commitments satisfactorily, and make every effort for the best results

Dare to challenge

Have a sense of mission to work, be not afraid of difficulties, be happy when facing competitions, and cope with challenges and adversities with a positive attitude and method



Mindset

Strong self-driving force

Set high goals and requirements for work, be subject to self-supervision, and act proactively

Integrity and responsibility

Be impartial and upright, adhere to principles, be faithful, keep promises, cooperate with others when there is someone in charge, and take the responsibility when there is no one in charge



Creativity

Innovative breakthrough

Unconstrained by stereotypes and past experience, keep exploring new methods, to create new products or make new work achievements

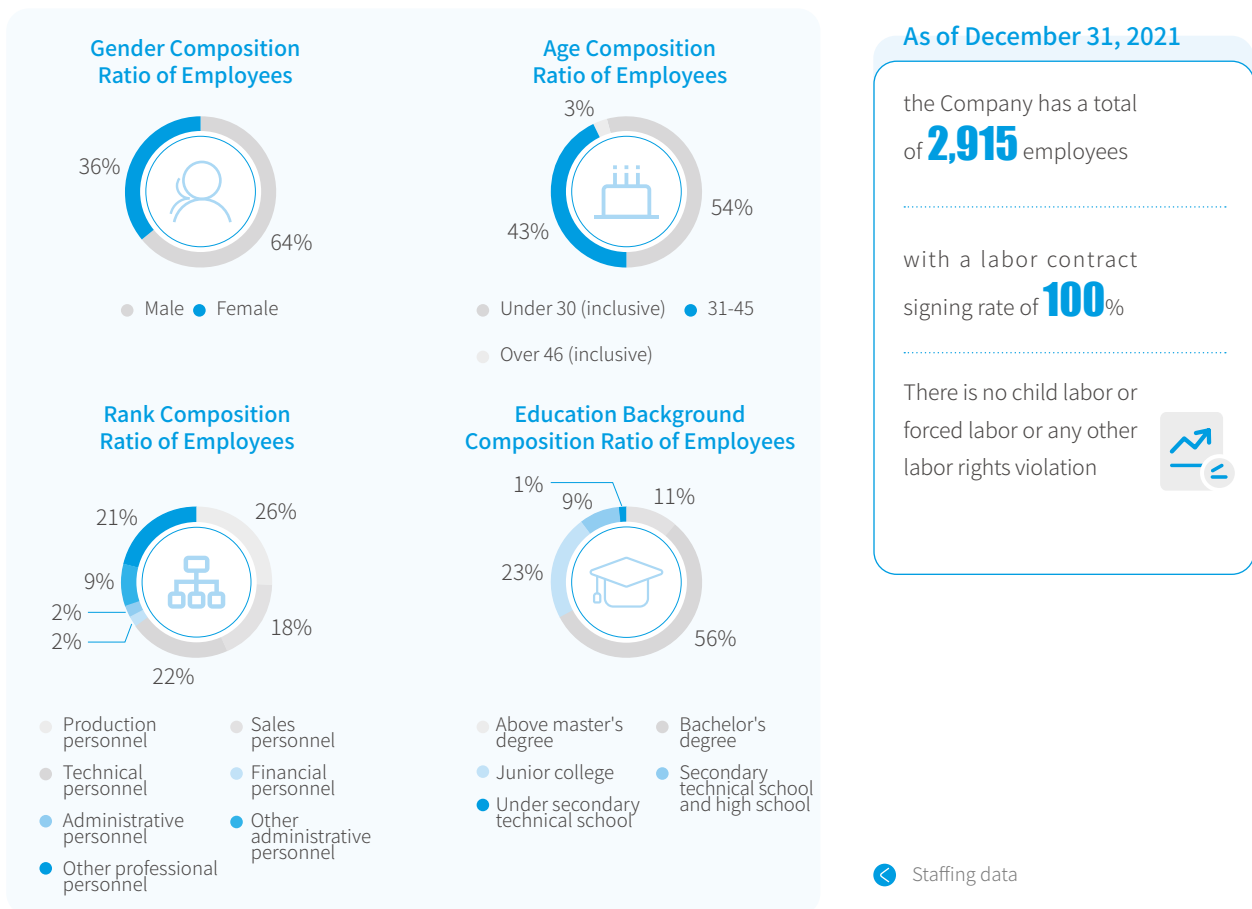
Result-oriented

With results as the main basis for measuring work effectiveness, focus on improving performance, achieving goals and yielding results

Rights and Benefits of Employees

Basic Rights and Interests

The Company strictly abides by the *Labor Law of the People's Republic of China*, *Contract Law of the People's Republic of China* and other relevant laws and regulations, and proactively responds to the government's call, by giving priority to stabilizing employment and protecting people's livelihood, respecting and protecting the legitimate rights and interests of employees, prohibiting children labor according to law, ensuring equal pay for equal work between men and women, protecting the legitimate rights and interests of female employees, striving to create a diversified, fair and just working environment, and ensuring all employees are not treated differently just because of their religions, genders, ages, disabilities, etc.



Fair Recruitment

The Company carries out campus recruitment, social recruitment, internal recruitment and other recruitment activities through various recruitment channels, such as its official website and official WeChat account, third-party recruitment platforms and offline job fairs, regulates the recruitment process, and carries out recruitment in a fair, open and impartial manner, to continuously introduce high-quality talent resources, prepare talent reserves for the Company's development, and contribute to the social goal of "stabilizing employment" of the government.

Joyoung's recruitment philosophy

- It is the leaders' responsibility to recruit the right talents
- Recruitment is for the Company
- Be more than a talent spotter, and look for talents who are better than themselves
- Seek major common points while reserving minor difference



Compensations and Benefits

The Company provides employees with a market-competitive compensation and performance system and benefits system. The compensation and performance system consists of 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. The Company provides employees with basic benefits according to law, and on this basis, provides employees with special benefits in medical treatment, food, housing, transportation, etc.

Basic benefits

- Six insurances and one fund (endowment insurance, unemployment insurance, work-related injury insurance, maternity insurance, medical insurance, supplementary commercial insurance and housing fund)
- The right to leave according to law (statutory holidays, sick leave, marriage leave, funeral leave, maternity leave for female employees, etc.)
- Physical examination for all employees
- High-temperature subsidy

Featured benefits

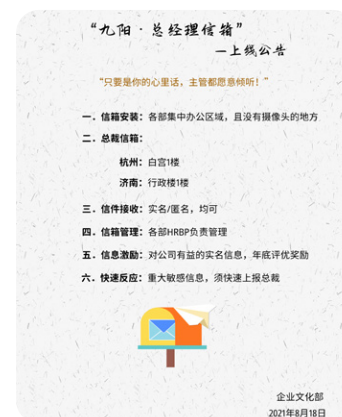
- Six types of visits: Birthday/marriage/maternity/illness/accident/funeral care
- Educational sponsorship: Encourage employees to receive further education or professional certification, and give them bonuses for it
- Holiday benefits: Distribute holiday benefits (Joyoung products, etc.)
- Allowance benefits: Meal subsidies or free lunch

Democratic management

Focus on major issues about the Company's business development, major decisions, and hot issues that concern employees such as those related to their vital interests. Hold employee representative conferences on a regular basis, to strive to resolve problems for grass-roots employees, and extensively listen to opinions and suggestions of employee representatives and the majority of management officers and employees. In addition, in order to standardize the operation of the Company in all aspects, reflect opinions and thoughts of employees in a timely manner, and respond to opinions and suggestions of employees rapidly and effectively, the Company has formulated the *Management Procedures for the Handling and Feedback of Opinions, Suggestions, Appeals and Feedback of Employees*, and established two-way communication channels between management officers and employees, including a hotline and a mailbox for complaints and suggestions, an office network information platform for complaints and suggestions, a WeChat public account for Investment complaints and suggestions, a SOA platform of the Voice of Customers, Joyoung Administration and meetings of various departments at all levels, to listen to the voice of employees through multiple channels.



▲ The Company held the 5th employee representative conference congress on November 23, 2021



▲ General Manager's mailbox

Safety and Health of Employees

Management Rules

The Company adheres to the occupational health and safety management policy of "people-oriented, harmonious management, risk reduction, safety and health". In order to protect the physical and mental health of laborers, enhance their awareness of safe production, and ensure safe production, the Company has passed the ISO45001 occupational health and safety management system certification, and formulated the *Environmental Factors and Hazardous Sources Control Procedures*, *Fire Management Rules*, *Safety Education and Training Management Rules* and other documents.

Diagram of the occupational health and safety management system



Safety Education

● Three-level safety education and training for new employees

Strictly observe requirements under the management rules of the Company, establish three-level safety education and training contents for production employees, and implement appropriate training, to ensure that the employees can quickly understand the operating environment and risks therein after taking their jobs, and be able to prevent and control risks with self-awareness.

● Employees participated in the publicity of fire safety knowledge

In 2021, the Administrative Department of the Company organized a total of 6 trainings for the safety production month, safety production training and special training for key positions. At the end of each month, the safety production administrators of various departments will be organized to conduct joint inspections on office areas, laboratories and key zones. In addition to the unified fire safety knowledge lectures organized by the Administration Department of the Company, relevant key prevention and control departments can also coordinate resources based on their own management measures, and plan and organize fire safety lectures for employees, to help employees understand the basic knowledge about fire safety and self-rescue means.

● Equipment operation safety training for operators

The production department has established independent equipment operation procedures for the equipment used during operation, and specifies equipment operation steps/methods, safety precautions and emergency measures, and help employees understand risks and control requirements for the equipment through point-to-point physical operation training.

● Chemical operation safety training for workers

The production department has established a *Chemical List* for chemicals used during operation, and conducted chemical safety education and training for employees on a regular basis, to help them clearly understand requirements for the protection against chemicals and use them in operation.

● Occupational health and safety education and training for operators

Based on the EIA test result, the production department sorts out those who are exposed to occupational hazards on the operation site, and plans and organizes occupational health education and training for employees, to help them clearly understand their occupational hazard risks and daily prevention and control requirements.

● Dormitory safety education and training for operators

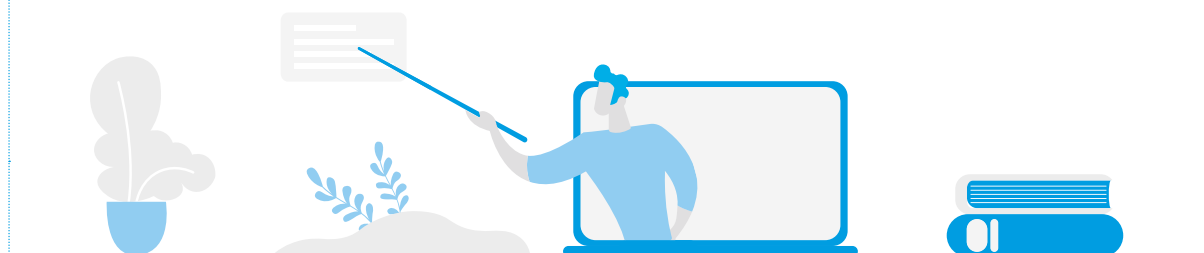
Plan and organize training on dormitory management requirements for employees, clarify requirements for dormitory electricity use, and avoid dormitory safety risks.

● Fire drill

Cooperate in the Company's fire drill, to help employees know the escape route and escape method clearly, understand how to use fire extinguishers, and have a clear understanding of fire-fighting knowledge.

● Production 6S control

The production department has established 6S management tasks, sets up inspection standards, and organized training and guidance. There are personnel that conduct 6S daily monitoring and weekly inspection, Regular monitoring and timely rectification are implemented, to avoid any safety risks.





Emergency rescue drill

Healthy Lifestyle

To protect the health of its employees effectively, Joyoung has further implemented the people-oriented development philosophy, and thus arranges annual health examinations for all the employees every year, and provide additional occupational disease examinations for part of the employees (67 people), striving to provide the employees with all-round and considerate health care.



Joyoung Health Cabin

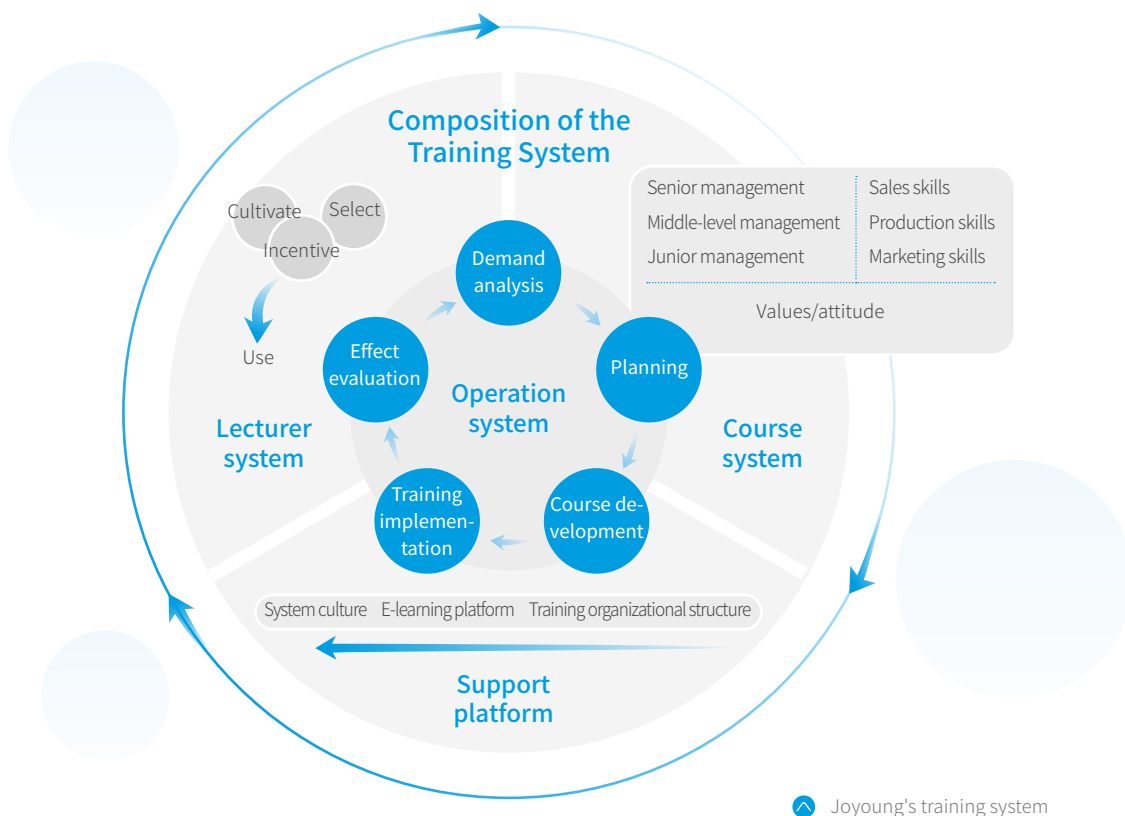
The company has built a health cabin and put it into use. By conventional health testing equipment, safe and effective moxibustion physiotherapy, online and offline health knowledge lectures, free diagnosis and other means, it provides good services to realize healthy workers as well as a healthy company and a healthy city.



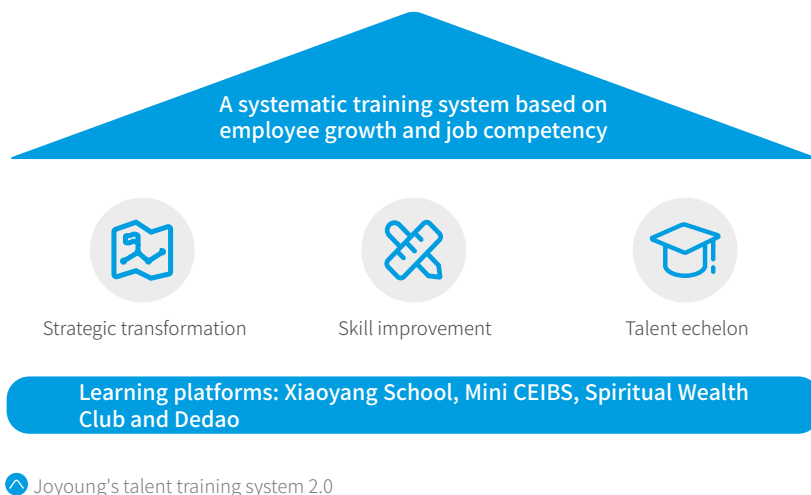
Health cabin

Training and Development of Employees

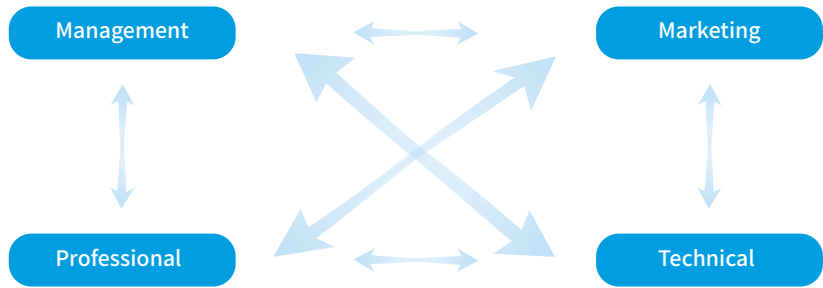
Joyoung adheres to the training principle of "combining training and practice on a result-oriented basis", takes the quality evaluation system and professional behavior evaluation system, the hierarchical and sequential system, the courseware system, the lecturer system, the learning platform system and the institutional system as the foundation, improves the operation system from five aspects, including demand analysis, plan formulation, course development, training implementation and effect evaluation, and gradually builds the training system. The Company has established a two-level training system, developed the *Online Training Management Rules*, *New Employee Training Management Rules*, *External Training Management Rules*, *Internal Training Management Rules* and Joyoung internal trainer team, to ensure the effective implementation of training needs, plan formulation and implementation and effect evaluation, promote the career design of employees, create a platform for ability improvement and career development for employees, and ensure the implementation the strategic goals of the Company.



The Company has built a Training and Development Department, which is in charge of the establishment of the training system, as well as the formulation and implementation of training plans. In 2021, focusing on "high growth with professionalism, boosting performance under the help of programs", through the online learning platform - Xiaoyang Academy, the Company has built a talents cultivation system 2.0 based on the growth and competency of employees, including strategic transformation, skill improvement and talent echelons.



Joyoung provides broad development channels for employees in technology, skills, management, sales and other fields. The employees can choose the most suitable development path and set their career development goals based on their strategic development needs as well as their own characteristics, career interests and expertise. They may also do career transitions between the management channel and the professional channel.



^ Joyoung career development channel



^ DFMA training



^ IE special training camp



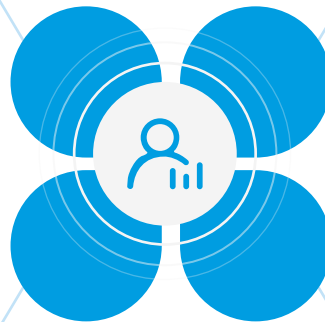
^ Training in a visit

Care and Activities for Employees

Joyoung keeps pace with the times, proactively takes the responsibility of caring for employees, gives help and assistance to employees, builds a harmonious company with actions, and contributes to building a harmonious society.

- **Single employees:** The Company has established the "Joyoung Matchmaker Award", and the trade union would hold cross-company single associations, to help single employees find their romantic partners.

- **Retired employees:** Co-founders of the Company would attend dinner parties with them and pays visits to them during festivals with red pockets.



- **Working couple:** The Company has established a "Love Cabin" to resolve housing problems for employees, and pays regular visits to retired employee.

- **Employees with financial difficulties:** The Company has established a fund for employees in major financial difficulties, carried out assistance activities for such employees, and provided education assistance for children from poor families.



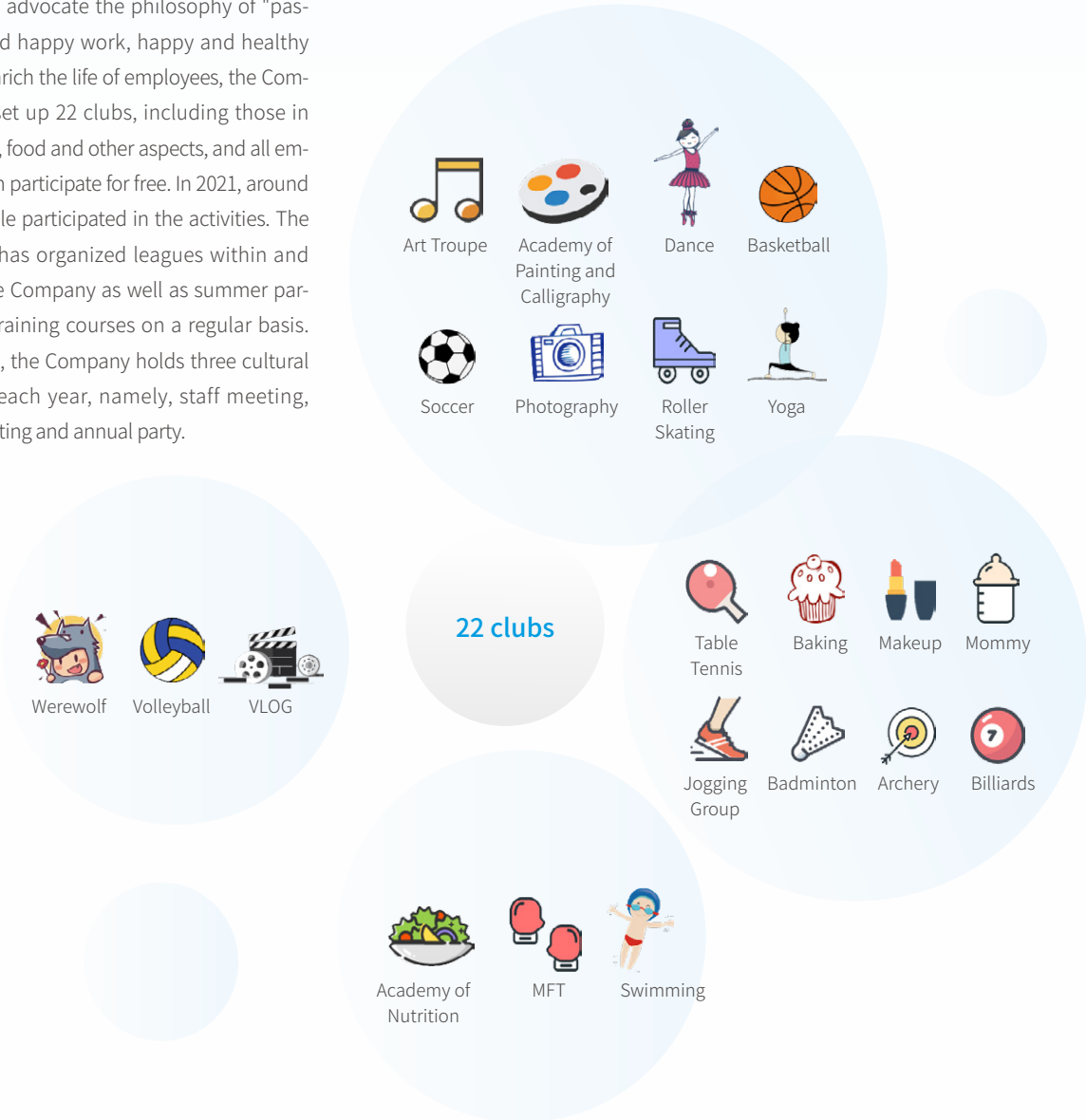
Visit to old employees



Joyoung Matchmaker Award



In order to advocate the philosophy of "passionate and happy work, happy and healthy life" and enrich the life of employees, the Company has set up 22 clubs, including those in arts, sports, food and other aspects, and all employees can participate for free. In 2021, around 1,500 people participated in the activities. The Company has organized leagues within and outside the Company as well as summer parent-child training courses on a regular basis. In addition, the Company holds three cultural meetings each year, namely, staff meeting, sports meeting and annual party.



Sports meeting



Annual meeting

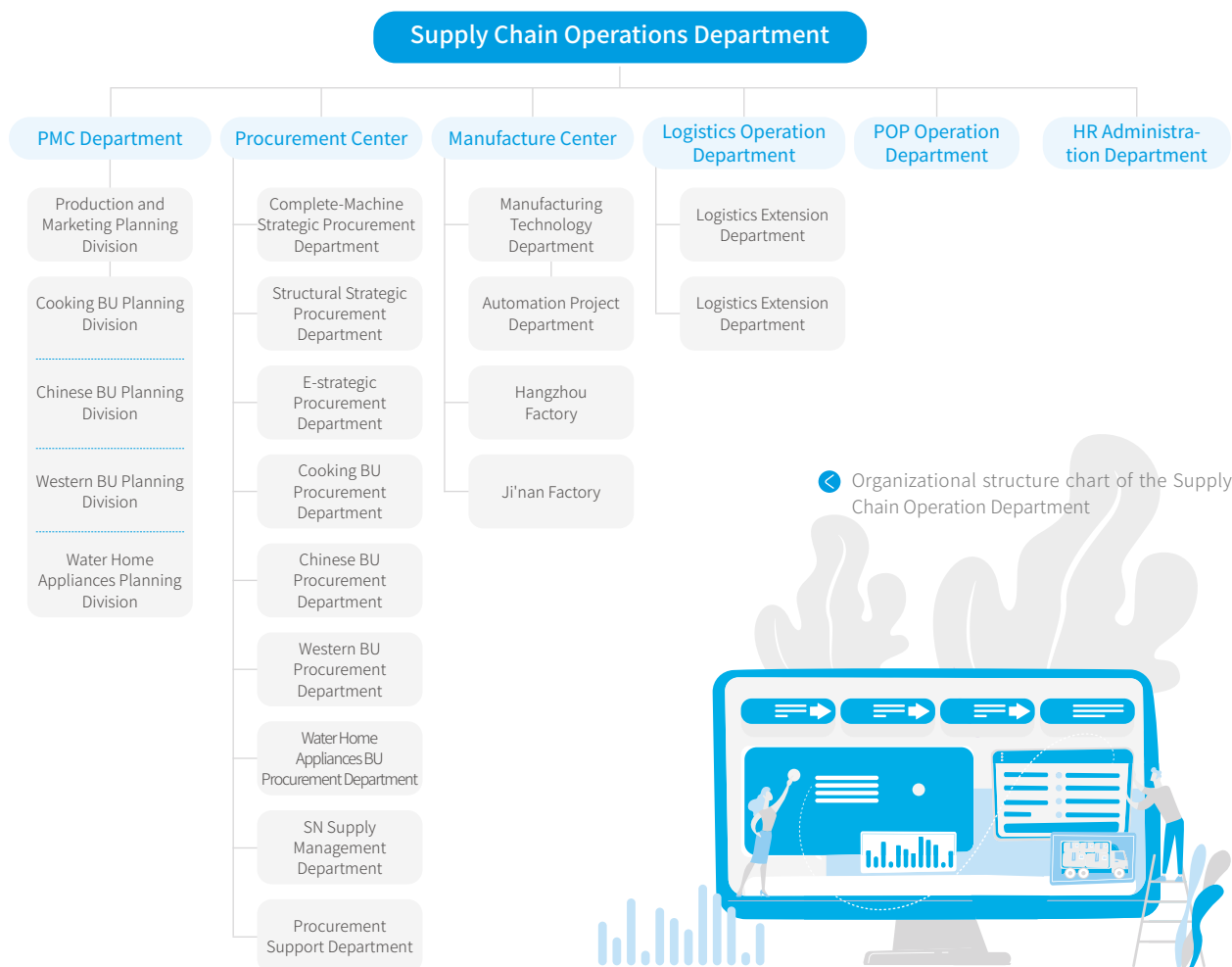
In terms of the industry, it seeks common development

In order to build a sustainable ecosystem of healthy kitchens and smart kitchens, Joyoung has constantly sought like-minded partners with an open and inclusive attitude. We have been promoting the coordinated development of the upstream and downstream of the industrial chain, establishing external cooperation in R&D, products, supply and marketing, and working with our partners to create a sound business ecology, to achieve a win-win situation.

Supply Chain Management

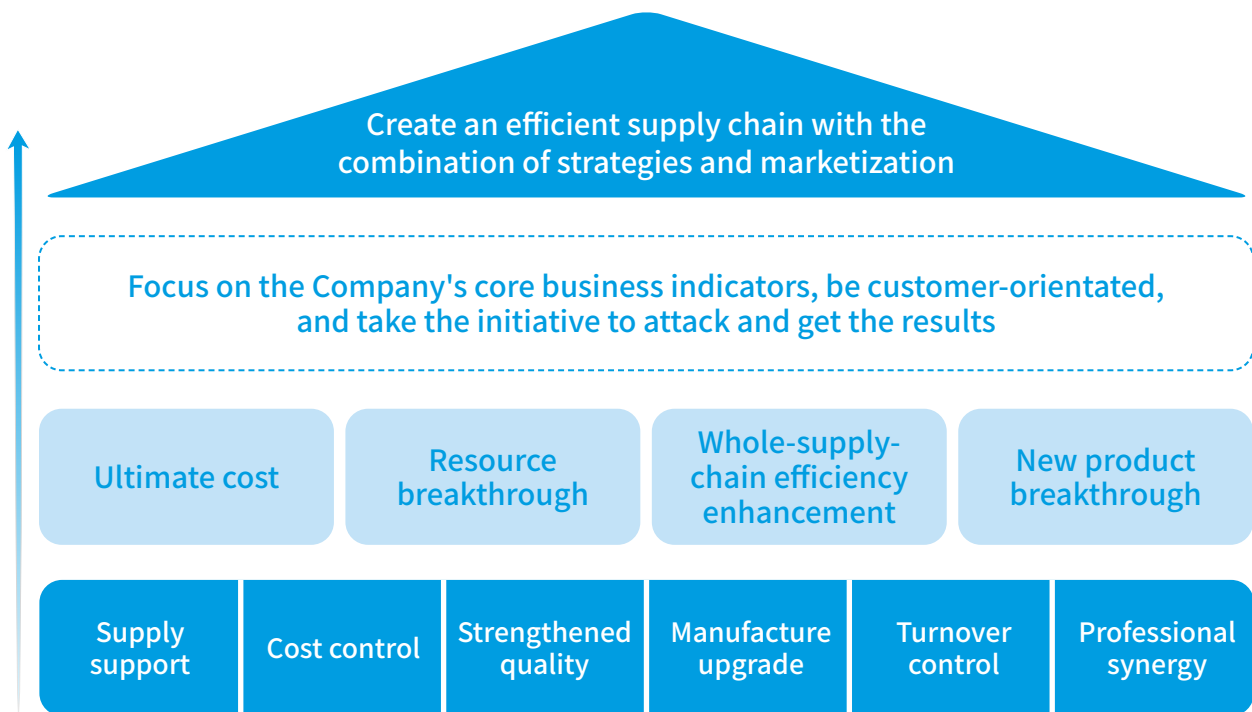
The Company has built a set of collaborative intelligent manufacturing management system, namely, the CIS system, which enables data exchanges between its own factory and complete machine suppliers. Independent CIS system accounts are allocated through Joyoung's own factory with OEM factories, and the CIS system deployed in the cloud is seamlessly connected to the MES of each factory. Industrial robots, AGVs, testing equipment, code scanners, loading and unloading machines and other equipment are networked, to achieve data exchanges at the equipment level, the workshop level and the factory level, so as to provide data support for the management system; besides, redundancy is adopted to ensure reliability. Through collection, networking, analysis and control, the closed-loop management of each link is completed, and the automatic collection of all equipment parameters and early warnings for abnormalities in the production process, as well as the remote transmission of manufacture management and supply management amongst various equipment, are thus realized.

The collected historical and real-time data of the manufacturing process are stored, analyzed and visualized, and are displayed in the central control room in a real-time manner, to ensure that the Company can be informed of the production and manufacturing conditions of each factory in a real-time manner, and further realize production process monitoring and equipment failure diagnosis.

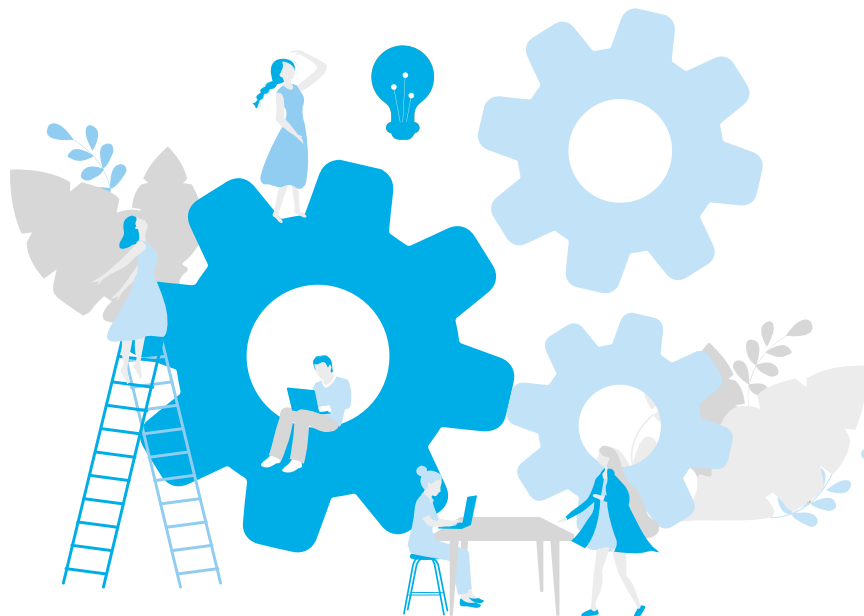


Supply chain strategy system

Joyoung enhances its competitiveness of its main products by establishing the supply chain strategy house and with a focus on key business indicators, and achieves the recourse breakthrough by keeping improving product quality. Joyoung also controls whole-process comprehensive costs and records cost reduction by upgrading manufacture, managing working capital and taking other measures. Further, by empowering the supply chain with digitization, we realize the production and sale upgrading of the whole chain and safeguard the efficient supply of products. We stay committed to customer-oriented principle, introduction of technical professionals and product innovation, continue to develop new products, create differentiated product layout and take the initiative in market competition. Our goal is to build a supply chain integrating strategy and market to guide the efficient operation of the Company's supply chain.



2021 supply chain strategy house



Joyoung considers suppliers as an important resource, and attaches much importance to establishing a long-term and routine communication and operation system with suppliers, to provide organizational and high-level supports for the business cooperation between both parties. The Company has developed the *Procurement Management Rules*, *Business Lean Star Certification Management Rules for Joyoung Suppliers*, *Bidding Management Rules*, *Quality Assurance Agreement* and other rules, to promote continuous improvement and achieve a win-win situation for both parties. Based on the material classification and the degree of common development of suppliers, as well as the term of cooperation, Joyoung divides its suppliers into strategic suppliers, excellent suppliers and general suppliers, to manage supplier relations strategically, and establish long-term cooperative partnerships with strategic suppliers and long-term suppliers. It is also committed to the development of global suppliers, to improve the global supplier coverage of key components. In addition, it adopts ISO9001 and TS16949 as evaluation standards for the introduction of key suppliers.

Procurement Operation Excellence

Procurement Strategy and Objectives

Strategic suppliers: Establish a long-term partnership with suppliers on an end-to-end strategic collaboration basis, jointly build strategic control points, and form long-term core competitiveness.

Non-strategic suppliers: Conduct performance appraisal in six aspects, i.e. TCO, technology, quality, delivery, environmental safety and social responsibility, for full market-oriented competition.



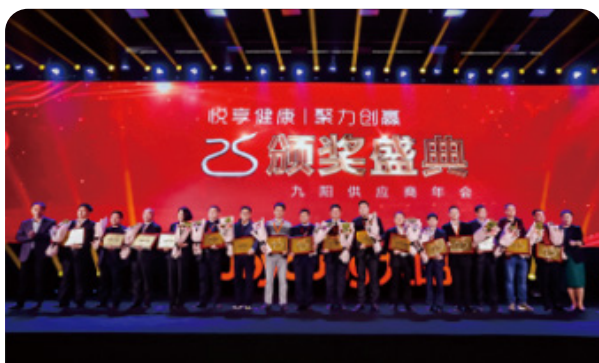
Cooperation Results

Build long-term core competitiveness: The original product SKY forms a strategic control point, with a market share ranking TOP1

Establish long-term, stable and win-win partnerships: 16 strategic suppliers, 107 suppliers in cooperation for more than 5 years, accounting for 32%

Leading cost: As the prices of raw materials rocketed in 2021, we successfully maintain the cost advantage ahead of our main competitors by front-end design optimization, supply efficiency improvement, centralized procurement and other key measures

Joint Innovation: Joyoung joins hands with key suppliers to add benefits and provide household appliances featuring better experience and functions, higher quality and more favorable price for customers



Strategic Supplier Award

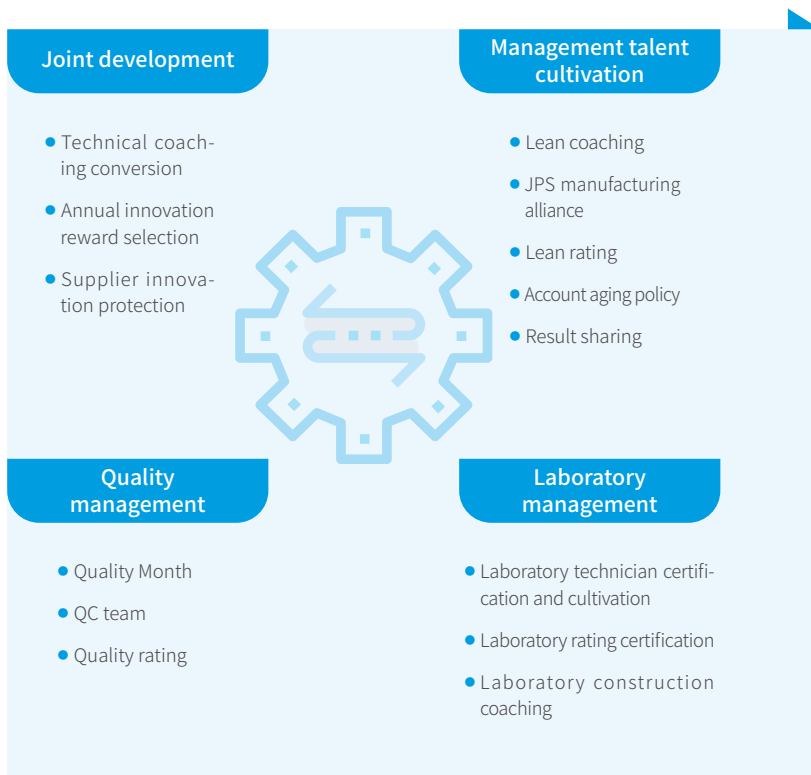
Awarded strategic suppliers Prize to strategic suppliers



Time Ingenuity Award

Awarded a Special Contribution Prize to strategic suppliers who has been with Joyoung for 20 years

Joyoung provides a communication platform for suppliers to learn from each other for common improvement. Through training, coaching and introduction of manufacturing industry engineering technology methodology, value stream analysis and improvement, 6S, TPM, line balance, JIT, continuous flow, automation, informatization, process certification (PC), multi-skilled workers, QCC and quality month events, etc., Joyoung stimulates the improvement motivation and vitality of suppliers, helps them grow healthily, creates a healthy, high-quality supply chain of its own, and thus provides strong support for gaining advantages in the market. Joyoung provides relevant training plans to suppliers every year, carries out coaching and inspection during the process, publishes results every year, motivates those that perform excellently, grants honorary certificates, and compiles and shares outstanding improvement cases of suppliers.



Empowerment platform for the strategic supplier



In 2021

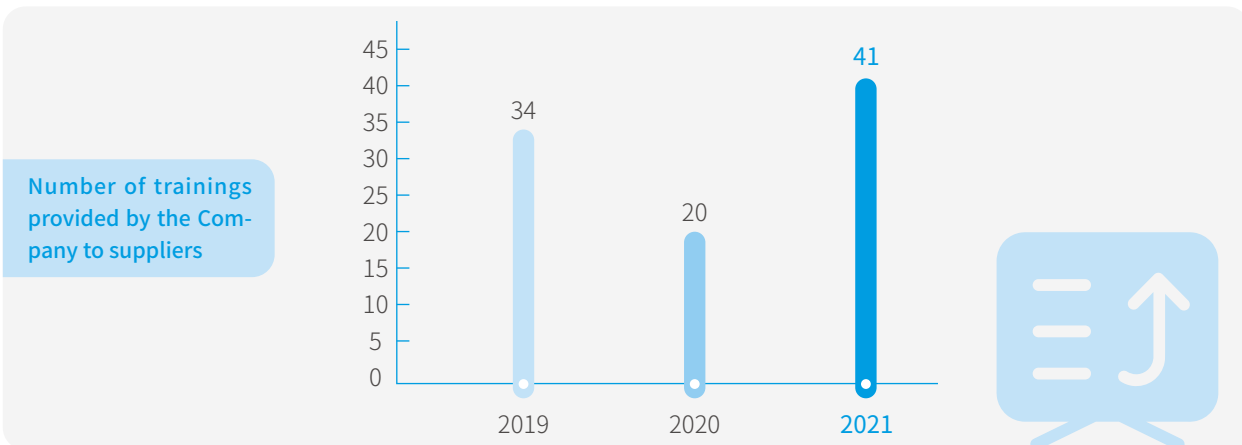
the supplier training carried out by Joyoung covered a total of **146** suppliers


Joyoung has established a Supplier Lean Office, with **3** full-time lean/IE factories and a supply chain lean team consisting of over **100** members

The average cost reduction of lean, automation and other programs is over RMB **40** million per year

In 2021, **15** benchmarking lines were built, accounting for **23.8**%, with revenues of RMB **13.2** million





 **Centralized sorting in the production line**

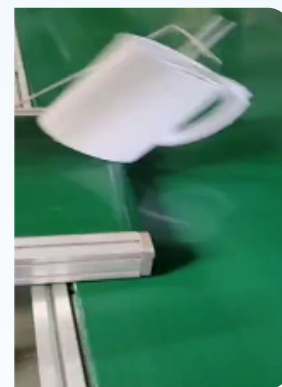
It helps reduce the cost and improve efficiency. Manual labor is replaced by equipment, semi-automatic operation is replaced by full-automatic operation, and "one person, one machine" is replaced by "one person, multiple machines", as an important direction for the reform of injection molding workshops. While adopting automatic production, the plant adopts centralized sorting by dividing the workshops into two zones, including the north and the south, and uses realize the automatic launch of the main production line with self-made simple tooling. Employees are engaged in concentrated operation in the south and north sorting areas of the workshops, which not only needs fewer workers and reduces manual labor, but also helps increase the pay for employees. Centralized sorting reduces labor costs, improves the Company's production and operation management efficiency, helps increase employees' incomes, and keeps the workshops clean and tidy.



Self-made simple tooling, and automatic launch of the main production line



Centralized transmission on the production line



Centralized sorting across multiple machines

Earnings from centralized sorting in 2021

Total saved labor hours/year

21,006

Saved employees/year

20

Saved amount/year

441,126

Industry-University-Research Cooperation

The Company has proactively established contact with colleges and universities, built a practice base, and with advantages of both parties, it carried out more cooperation beneficial to students, colleges and universities and the Company. The construction of the practice base aims to carry out in-depth cooperation with the colleges and universities in innovative practical teaching, internship and other aspects. Under multi-level, multi-channel, multi-form and pragmatic principles, both parties have exerted their own strengths, complemented the needs of each other, coordinated with each other, and further promoted the industry-university-research cooperation between both parties.

The Company gives strong support to colleges and universities in innovative practical education and internship, and also welcomes teachers and students of colleges and universities to participate in Joyoung's internship and small scientific research and creative programs, to give full play to the strengths and functions of both the Company and the colleges and universities in the cultivation of professional talents. The Company explores, establishes and improves a new mechanism for the cooperation between the Company and the colleges and universities for the joint cultivation of talents of professional technology and product innovation, gives full play to the platform role of the practice base of the Company, cultivates high-quality innovative and entrepreneurial talents, and achieves common progress and development.

By the end of 2021, the Company has successively worked with Tsinghua University, Zhejiang University, Fudan University, Southeast University, China Agricultural University, Jiangnan University, Zhejiang Sci-Tech University, Zhejiang Gongshang University, China Jiliang University, Technology Duplicate Checking (Assessment) Center of Zhejiang Academy of Science and Technology Information Research and Zhejiang Fangyuan Testing Group for joint scientific research programs, industry-university-research cooperation, talent training and cutting-edge technology exchanges. It has also carried out cooperation in internship and employment on a regular basis.



Reinforced Cooperation between Joyoung & Zhejiang University

In June 2021, more than 20 teachers and students from the Excellence Class of the School of Mechanical Engineering, Zhejiang University, led by Vice Dean Liu Zhenyu of the School, walked into Joyoung Creative Industrial Park in Hangzhou, starting the first class of "Innovative Design Methods and Practice" of Zhejiang University. Dean Wei of Joyoung Research Institute introduced Joyoung's history of innovation and development, its product design concept and process of "health and innovation" in detail, as well as the achievements made by the innovative method TRIZ and the innovative software Goldfire. This class was an attempt to the innovate teaching of the School of Mechanical Engineering, Zhejiang University, and is also an innovation of Joyoung's production-university-research practice. Meanwhile, Joyoung has established a normalized exchange platform with the School of Mechanical Engineering, Zhejiang University, to jointly explore the establishment of the "Social Practice Base of the School of Mechanical Engineering, Zhejiang University", so as to seek opportunities for industry-university-research cooperation.



Teachers and students of Zhejiang University walked into Joyoung



Letter of Appointment for Experts

Discussions within the Industry

From 2018 to 2021, Joyoung led or participated in the formulation of 33 standards, including 14 national standards, 4 industry standards, and 15 group standards.

SN	Standard name	Standard No.	Standard nature	
1	IoT Household Appliance Public Instruction Set	GB/T 36428-2018	National standard	Formulated
2	Floor Scrubbers for Household and Similar Purposes	T/CHEAA 0018-2021	Organization standard	Formulated
3	Technical Specifications for Cordless Foldable Handheld Dry Vacuum Cleaner	T/CAS 383-2019	Organization standard	Formulated
4	Steam Mops for Household and Similar Purposes	QB/T 5426-2019	Industry standard	Formulated
5	Performance Requirements and Testing Methods for Electric Kettles	GB/T 22089-2021	National standard	Revised
6	Brand Evaluation – Guidelines for Consumer Perception Measurement	GB/T 39071-2020	National standard	Formulated
7	Food Masher	GB/T 15854-2021	National standard	Revised
8	Rice Cooker	GB/T 40978-2021	National standard	Formulated
9	Iron Non-Stick Pan	GB/T 40354-2021	National standard	Formulated
10	Technical Requirements for Intelligent Household Appliances Equipped with IoT Operating Systems – Soymilk Makers	T/CAS 520-2021	Organization standard	Formulated
11	Technical Requirements for Intelligent Household Appliances Equipped with IoT Operating Systems – High-Speed Blenders	T/CAS 522-2021	Organization standard	Formulated

Standard examples formulated and revised with Joyoung's participation

The Company has always been implementing the philosophy of "win-win for partners", and actively seeks like-minded business partners in various fields such as R&D, products, supply and marketing, to realize the synergistic effect of "1+1 is greater than 2" and achieve win-win development.

Related Parties	Measures
Government departments and charity organizations	<p>Pay visits on a regular basis, attend meetings held by the government, and get information from WeChat groups and QQ groups in a timely manner.</p> <p>Through the preparation for the establishment of "Charity Kitchen" and the participation in "Shanghai Assistance" by purchasing native products in the form of "consumption for poverty alleviation", implement the assistance plan. Meanwhile, respond to the call and actively support Southeast Guizhou, Enshi and other regions, alleviate the malnutrition problem for young students in remote areas, and stimulate the economic development in backward areas.</p>
Professional institutions	<p>Actively join associations and organizations. The Chairman serves as the Vice President of the 13th Executive Committee of Hangzhou Federation of Industry and Commerce, and timely communicates with leaders of the association for the latest information. Co-organize/attend industry meetings.</p>
Universities, colleges and research institutes	<p>Carry out joint scientific research programs, industry-university-research cooperation, talent cultivation and cutting-edge technology exchanges; conduct internship and employment cooperation</p>
Banks	<p>Pay visits on a regular basis, and establish good cooperation relationships</p>
Media	<p>Contact with daily news, with year-end media visits and feature stories; jointly carry out brand communication, exposure and other activities as needed for the brand.</p>



In terms of the society, it makes common progress harmoniously

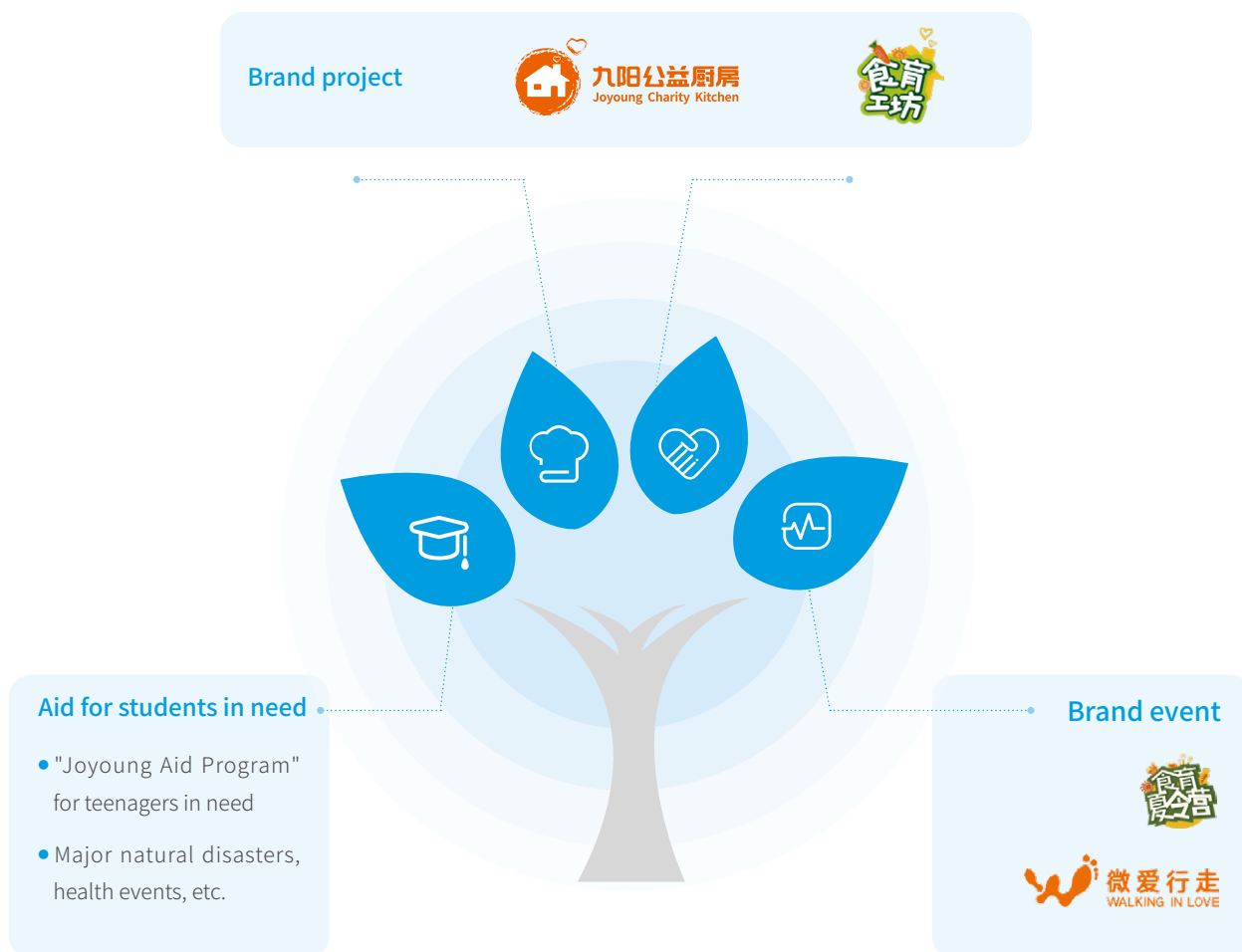
With the overall victory of the battle against poverty and the implementation of the rural revitalization strategy, in order to promote the development of public benefits more systematically, Joyoung and its founder team initiated the establishment of the "Zhejiang Joyoung Foundation" on December 28, 2020. With "gather the force of kindness and create a good life with health" as the vision, the Foundation carries out rural revitalization, poverty alleviation, assistance for sick and disabled people, scholarship and education assistance programs, assistance for the elderly and orphans, support for disaster relief and other public benefits and charitable undertakings.



九阳公益基金会
Joyoung Foundation

▲ The Foundation's logo

Core public benefits program



As of the end of 2021

Joyoung donated over RMB **90** million to public welfare undertakings



Public Benefits Events



The Joyoung Public Welfare Project was launched in Wangqing County, Yanbian Korean Autonomous Prefecture

In April 2021, the launch ceremony of the "Joyoung Charity Kitchen" and "Joyoung Food-Education Workshop" in Wangqing County, North Korea Autonomous Prefecture, Yanbian was held at the Central Primary School of Jiguan Village, Wangqing County, to provide students there with nutritious and healthy soy milk while they have meals at school, so that the school can develop food culture as a curriculum, and the children can master a skill of survival, realize the importance of healthy diet, and learn knowledge about the traditional food culture.



▲ Joyoung made donations to the middle and primary school in Wangqing County



Walking in Love

In 2021, Joining hands with Zhejiang Women and Children's Foundation and Tencent Public Welfare, calling on participants to walk over 10,000 steps a day, and donate the steps of each day to the Charity Kitchen Program through Tencent's WeChat Sports. Joyoung will donate RMB 1 for every 10,000 steps, with a matching gift of RMB500,000, so as to spread the philosophy of enjoying health, call on everybody to participate in public benefits undertakings, assisted in the construction of charity kitchens in more than 20 rural primary and secondary schools in Zhejiang, to ensure nutritious meals available to the students.



▲ Walking in Love

Food-Education Summer Camp

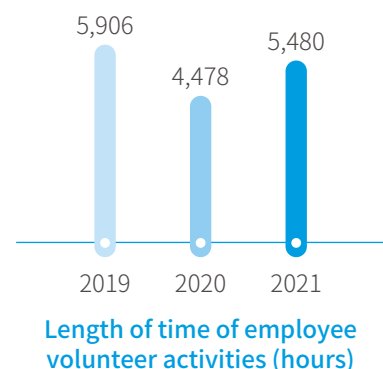
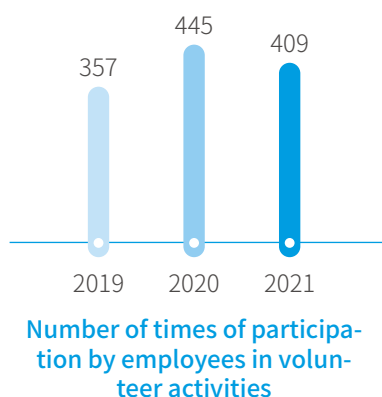
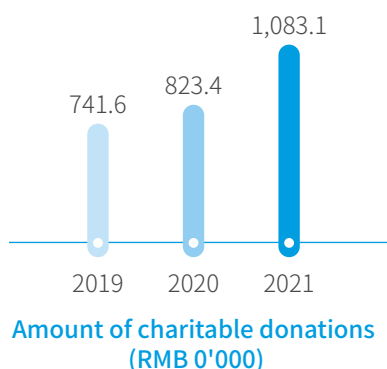
Since 2014, Joyoung has held 10 immersive appetite summer camps for students in Harbin, Ji'nan, Xinyang, Qinghai, Hangzhou, etc. Students here participate in program-based interdisciplinary experiential food-education learning in groups, with different modules connected to each other as games, which forms a fun, open and regular exploratory camp atmosphere, conveys the philosophy of health awareness to the students, and stimulates their appetite and creativity. Through the Food-Education Summer Camp in 2021 themed "Love Food & Save Food", students could understand the problem of food waste, from the source of food to the classification of garbage, know how to cherish food, respect nature and be grateful to society, and develop a scientific, healthy and sustainable view of diet.



Food-Education Summer Camp

Brand Honors in Public Benefits

- Friendly Food System Award of the Year granted by the United Nations Food System Summit
- Outstanding Contribution Enterprise for Collaboration in the East and West
- The highest award in the field of charity granted by the Chinese government - China Charity Awards
- Selected as one of the Top 50 Excellent Cases of Targeted Poverty Alleviation by the State Council Poverty Alleviation Office (2019)
- Included in the *China Poverty Alleviation and Development Yearbook 2020* by the State Council Poverty Alleviation Office
- Outstanding Contribution Award in the 30th Anniversary of the Hope Project
- "Top 10 Charity Program Award" on the China Charity List
- Best Practice Award, Public Welfare of China
- Targeted Poverty Alleviation Partner of Zhejiang Province, Zhejiang Provincial Charity Federation
- Outstanding Contributor in Epidemic Prevention and Control Donation of Hubei Province
- 2020 Corporate Citizen Anti-Epidemic Pioneer
- Corporate Social Responsibility Excellence Program Award
- "Best Social Contribution Award" of CSR Education Award



04

Take Hand in Hand to Build a Low-Carbon Home





Joyoung adheres to the philosophy of harmonious development between man and nature, minimizes environmental impact in the process of production and operation, responds to the call of the international community and China for energy conservation and emission reduction, and improves the efficiency of energy and resource use. The Company adopts the environmental policy of "abide by laws and regulations, implement pollution prevention, save energy and reduce consumption, and establish an environment-friendly brand", as well as the management policy for HSF hazardous substances of "adopt environment-friendly materials and produce green products". It continues to increase the investment in environmental protection in accordance with the ISO14001 management system, promote energy conservation and emission reduction, protect ecological diversity, and promote the harmonious development of the Company, the society and the environment.

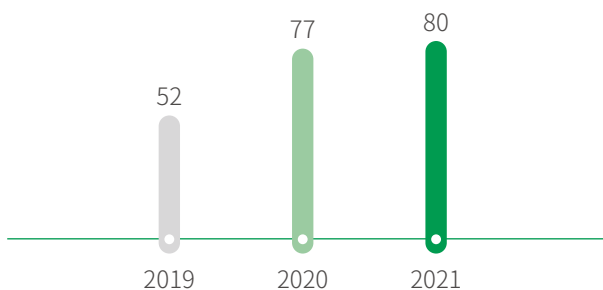


ISO14001 certification

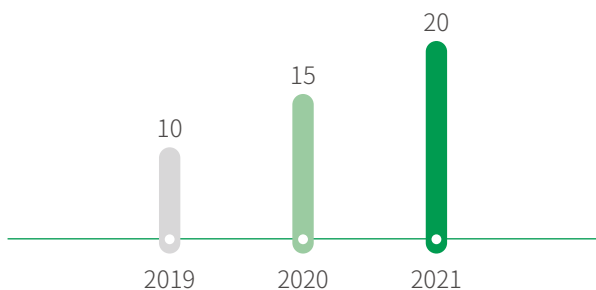
Joyoung's Green Management

Joyoung strictly implement the *Environmental Protection Law of the People's Republic of China* and other relevant laws and regulations on environmental protection, and actively practice the philosophy of environmental protection and smart factory management. In 2021, the Company formulated the *Energy Resources Management Rules*, which require all departments to consider environmental impact when selecting resources, choose environment-friendly and energy-saving products if possible, and continue to make improvement in accordance with the principle of energy conservation and consumption reduction to reduce the negative impact on the environment. The Company requires an internal audit and an external audit by a third-party company every three years. The Company did not violate any laws and regulations on environmental protection or get involved in any pollution accident disputes throughout the year, and was not subject to any administrative penalty for violating relevant laws and regulations on environmental protection.

Environmental protection investment (RMB 0'000)



Total investment in energy conservation and emission reduction (RMB 0'000)



The energy consumption of the Company is mainly electric energy. The Company continues to improve the utilization rate of energy and water resources by strengthening energy consumption management and control. Through clean energy and reinforced energy consumption control, under the premise of an average annual growth in production, the rate of increase in energy consumption of the Company, such as electric power, is smaller than the average annual growth rate of production. In addition, the resources consumed by the Company are mainly tap water. Through advocating water conservation and promoting the recycling of water resources, the efficiency of water resources has been continuously improved. The Company has always been adhering to the principle of energy efficiency enhancement and low-carbon production, by making statistics on water and electricity consumption as well as paper use each month, summarizing and analyzing its energy consumption, and developing appropriate rectification measures.

Energy

Indicator	Unit	2019	2020	2021
Electricity consumption	kWh	12,599,078	12,681,335	11,233,940
Operating revenues	RMB 0'000	935,144	1,122,375	1,054,047
Electricity intensity	kWh/RMB 10,000 of revenues	13.47	11.30	10.66
Electricity efficiency	RMB10,000 of revenues/kWh	0.07	0.09	0.09

Notes:

1. Electricity intensity reflects the electricity consumed per RMB10,000 of output value. The less the electricity 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 Resources

Indicator	Unit	2019	2020	2021
Water consumption	Ton	197,832	180,298	188,844
Operating revenues	RMB 0'000	935,144	1,122,375	1,054,047
Water resources consumption intensity	Ton/RMB 0'000 of revenues	0.21	0.16	0.18
Water resources efficiency	RMB 10,000 of revenues/Ton	4.73	6.23	5.58

Notes:

1. Water resources consumption intensity reflects the water resources consumed per RMB10,000 of output value. The less the water consumption per unit of output value, the lower the water resources consumption intensity.
2. Water resources efficiency reflects the revenues per ton of water. The greater the output value per unit of water resources, the higher the water resources efficiency.

In 2015, Joyoung Creative Industrial Park joined hands with Hangzhou CNE Photovoltaic Power Generation Co., Ltd. to carry out a photovoltaic power generation program, laying 35,000 square meters of photovoltaic equipment on the roof of the Company's workshops. In 2021, the photovoltaic power generation in the plant reached 3,163,198 kWh, 85.6% of which was used by the park itself, with the balance uploaded to the State Grid.



Workshops with photovoltaic panels

Joyoung has established its waste management rules – Solid Waste Management Rules, and each department shall be responsible for the process management from the generation of solid waste to the classified collection, and hazardous waste generated will be transferred to qualified suppliers for disposal.

Joyoung's Green Operation

Green office, which creates a low-carbon new normal

To save energy and resources, improve the utilization rate, avoid waste, protect the environment, and reduce the Company's operating cost, the Company actively promotes energy conservation and emission reduction in its daily operation, and calls on employees to participate actively in energy conservation and consumption reduction activities, to develop the awareness of energy conservation and environmental protection, enhance the consciousness of saving electricity and water, fully promote paperless office work, advocate double-sided copying and save paper. The Company also encourages employees to reduce the use of disposable water cups, turn off lights, power switches and gas after getting off work, and reduce standby energy consumption of computers, printers and other equipment, so as to realize the reservation of resources and the reduction of emissions.

The Company also actively responds to the call of "practice conservation and oppose waste" of China, and implements the "clean plate campaign", to reduce kitchen waste. It strictly abides by laws and regulations as well as government requirements, to implement execution garbage classification in the office area as required, promotes the concept and instructions of waste classification to its employees, advocates the reduction, recycling and harmless disposal of household waste, and actively performs the environmental protection responsibility as a corporate citizen.

In addition, the Company also actively responds to the call of the government by formulating appropriate management methods in accordance with relevant requirements under the *Household Waste Management Regulations of Shandong Province* and based on the its actual situation, develops the classification standards for various types of waste, provides recycling bins for recyclables, kitchen waste, hazardous waste and other waste for employee work stations, pantries and other areas, carries out effective training and publicity for the orderly promotion of waste recycling in the office area, and advocates green, environment-friendly management.

- Strictly control the operating temperature of air conditioning.
- Use energy-saving lighting equipment and reasonably plan lighting brightness
- Turn off personal computers and other office equipment during non-working hours to reduce standby consumption
- Do not add/use any high-power electrical equipment in the Company without authorization
- Choose double-sided paper and black-and-white printing, and use electronic communication and office work as much as possible
- Call on the departments to reduce unnecessary newspaper orders and reduce paper waste
- Provide garbage sorting and recycling bins in the office area for the sorting and collection of waste



⬆️ Slogan of electricity saving



⬆️ Garbage classification training

Green procurement, which promotes new measures for environmental protection

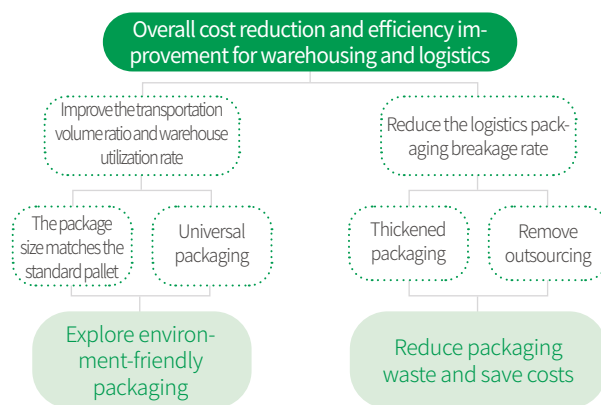
- Strengthen the management of components, accessories and other materials
- Select green, environment-friendly and energy-saving materials in the design for new products or the technical renovation for old products
- Purchase wholesale, replacement and energy-saving products as much as possible, to reduce waste generation
- Strictly implement configuration standards and procurement requirements for office equipment and other assets, improve revitalization efficiency and reduce procurement



While carrying out green operation to reduce carbon emissions, the Company has also voluntarily organized green environmental protection programs, to offset the carbon dioxide emissions generated during its operation, trying to achieve "carbon neutrality" as soon as possible. Since 2007, the Company has organized a number of afforestation activities, to mobilize its corporate influence to benefit the environment. In addition, the Company has also been actively advocating the philosophy of environmental protection, encouraging its employees to actively participate in public benefits activities related to global environmental protection, and practicing green environmental protection with actions. Up to now, in the park, 2,020 trees, 10,312 square meters of plant bands, 182 shrubs and 11,689 square meters of turf have been planted.

Green logistics, as a new mode of transportation

In order to break through the logistics mode, reduce packaging waste, and save logistics costs, the Company works with Alibaba and JD to explore a new mode of standardized turnover warehouses, so as to achieve a breakthrough in the entire warehouse/distribution network. The Company has thus granted the title of a demonstration enterprise under the *Pilot Logistics Standardization Project in Hangzhou* and a demonstration enterprise of the first batch under the *Pilot Project of the Construction of a Modern Supply Chain System in the Circulation Field*.



Recycling of waste home appliances

Waste home appliances are highly valuable for recycling, which, however, also contain a variety of heavy metals and pollutants, and improper disposal will cause environmental pollution. In 2021, the Ministry of Commerce issued the *Notice on Further Improving the Key Work of Promoting Consumption in Current Business Fields*. It is mentioned in the *Notice* that we should promote the consumption of home appliances and furniture, accelerate the improvement of the recycling and disposal system for used home appliances, improve the recycling network, optimize the recycling channels, promote the replacement consumption of home appliances, and guide consumers to enhance the awareness of using home appliances safety, saving energy, protecting the environment, and timely replacing out-of-date old home appliances.

In 2021, Joyoung continued with the "trade-in" service, encouraging consumers to give small home appliances of any brands to Joyoung for recycling with subsidies for the purchase of new appliances. In 2021, the company recycled approximately 150,000 waste home appliances through the "trade-in" service, and all the waste appliances were handed over to professional recycling companies for proper disposal by local after-sales outlets.



Recycling of waste home appliances

Index of Indicators

Table of Content		SDGs	GRI Standards	CASS-4.0
About This Report				P1.1/P1.2/P1.3
Message from Chairman				P2.1/P2.2
Key Performance			GRI 102 GRI 201	A2
Honors in 2021			GRI 102 GRI 202	A3
Feature: Joyoung Space Kitchen			GRI 203	M3.6
Feature: Joyoung Charity Kitchen		   	GRI 405	S4.12/S4.13
National Brand, Inheriting Corporate Culture	Company Profile		GRI 102	P4.2/P4.3
	Corporate Culture		GRI 102	P4.1/G1.1
	Company Events		GRI 102	P3.1/P4.5
Governance in a Steady and Far-Reaching Manner	Normative Governance		GRI 102 GRI 205	M1.1/M1.2
	Information Disclosure		GRI 102	M1.4
	Investor Relations Management		GRI 102 GRI 201	M1.5
	Internal Control and Risk Management		GRI 102	M1.1
	Intellectual Property Protection		GRI 102	S1.1/S1.2
	Information Security		GRI 102	M2.4/M2.13
	Clean Practice		GRI 205	M1.3
	Party Conduct Construction		GRI 102	M1.1

Governance in a Steady and Far-Reaching Manner	In terms of products, it manages to make quality breakthrough	    	GRI 203 GRI 416	M2.1/M2.4/M2.6/M2.7
	In terms of employees, it is people-oriented	   	GRI 401 GRI 403 GRI 404 GRI 405	S2.1/S2.2/S2.3/S2.5/ S2.7/S2.8/S2.10/ S2.11/S2.13/S2.14/ S2.15/S2.16/S2.17/ S2.18
	In terms of the industry, it seeks common development		GRI 204 GRI 418 GRI 419	M2.10/M2.13/M3.6
	In terms of the society, it makes common progress harmoniously		GRI 413	S4.7/S4.8/S4.12
Take Hand in Hand to Build a Low-Carbon	Joyoung's Green Management		GRI 301 GRI 302 GRI 307	E1.5
	Joyoung's Green Operation		GRI 301 GRI 302 GRI 303 GRI 304	E2.4/E2.6/E2.23/ E2.24/E2.25/E3.1/E3.2
Index of Indicators				A1
Independent Assurance and Statement of Opinion				A5
Reader Feedback Form				A6

Independent Assurance and Statement of Opinion

About this Assurance and Statement of Opinion

InFaith Group (hereinafter referred to as "InFaith" or "we/us"), as entrusted by Joyoung Co., Ltd. (hereinafter referred to as "Joyoung"), has conducted independent limited assurance of the information and data related to corporate social responsibility disclosed in *Joyoung Co., Ltd. 2021 Social Responsibility Report*, and disclosed the assurance result and conclusion to readers of *Joyoung Co., Ltd. 2021 Social Responsibility Report* in the form of independent assurance and statement of opinion.

In accordance with the *AA1000 Assurance Standard v3* ("AA1000AS v3"), InFaith carried out the limited reliability and quality assurance of Joyoung under four AA1000 assurance principles, including inclusiveness, substantiality, responsiveness and impact.

The conclusion in this Independent Assurance and Statement of Opinion is only for relevant matters within the scope of Joyoung's *Joyoung Co., Ltd. 2021 Social Responsibility Report*, and should not be used as a guarantee for any other matters and purposes. 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.

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.

I. The assurance contents include:

1. Assess the engagement process of Joyoung's stakeholders, as well as the importance attached by the stakeholders to the issues and the communication result;
2. Verify the reliability and quality of relevant data in the *Joyoung Co., Ltd. 2021 Social Responsibility Report*, and conduct sampling inspection on relevant evidence;
3. Conduct necessary assurance of specific performance information, social responsibility and sustainability management work of the selected key issues, and ensure that the information provided is complete, accurate, balanced and comparable;
4. State the effectiveness and social impact of part of the non-financial indicators comprehensively;
5. Related suggestions.

II. About InFaith:

The assurance work carried out by InFaith is independent of Joyoung Co., Ltd. InFaith has no other connection or conflict of interest with Joyoung. 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, SA8000, 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. All the team members have no business relationships with Joyoung, and the team has performed this assurance work independently.

III. In order to reach the conclusion of limited assurance, 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 social responsibilities;
- 2.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;
- 3.Colleced data and relevant information of social responsibilities selected in this Report, and performed analytical assurance procedures and evaluated such data and information;
- 4.Conducted assurance and confirmation, and ensured the consistency between the overall performance of social responsibilities analyzed and evaluated based on the above data obtained and the overall situation of the Report.

IV. Our findings:

- 1.Inclusiveness: According to the Report, Joyoung has taken important measures including continuously seeking the participation of stakeholders in 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.
- 2.Substantiality: 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.
- 3.Responsiveness: Joyoung has developed and implemented relevant policies, and is able to respond to issues that concern the stakeholders in a timely manner.
- 4.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.
- 5.GRI Standards: Based on the assurance result, we hereby confirm that the items related to social responsibilities that need to be disclosed in accordance with the GRI Standards and items related to sustainable development that need to be disclosed have been presented herein in whole or in part.

Based on the work that has been performed, in our professional opinion, this Report has covered issues of inclusiveness, substantiality, responsiveness and impact; and the information and data included in the scope of this assurance are free of material errors or misrepresentations.

If you have any advice for this Report, you may contact:

Tel: 021-20740303

Email: esg@infaith.com.cn

Address: 8F, 388 Fushan Road, Pudong New District, Shanghai



Reader Feedback Form

Dear reader,

Hello!

Thank you very much for reading the *2021 Joyoung Co., Ltd. 2021 Annual Social Responsibility Report* out of your busy schedule. In order to provide you and other stakeholders with more valuable information, and to effectively promote the Company's ability and level to perform its corporate social responsibility, we hereby 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 Fair Poor Very poor

2、 How is the Report's response and disclosure to stakeholders' concerns?

Very good Good Fair Poor Very poor

3、 How do you think Joyoung is doing in terms of economic responsibility?

Very good Good Fair Poor Very poor

4、 How do you think Joyoung is doing in terms of environmental responsibility?

Very good Good Fair Poor Very poor

5、 How do you think Joyoung is doing in terms of safety management?

Very good Good Fair Poor Very poor

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

Very good Good Fair Poor Very poor

7、 How do you think Joyoung is doing in terms of community responsibility?

Very good Good Fair Poor Very poor

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

Very good Good Fair 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 questions

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

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