

JOYSONQUIN SUSTAINABILITY SUMMARY REPORT

2020

JOYSONQUIN
AUTOMOTIVE SYSTEMS

IMPRESSUM

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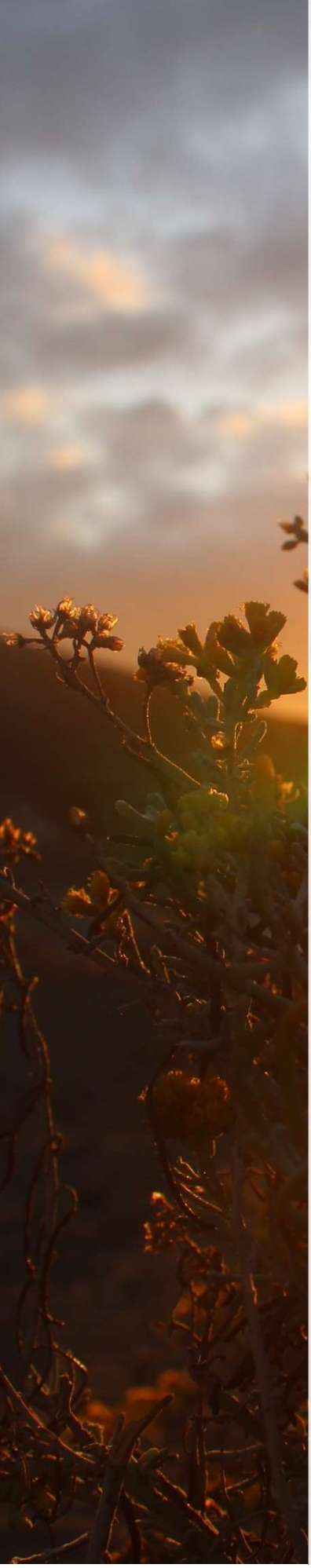
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Legal notice:

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ABOUT

This report is issued by JOYSONQUIN Automotive Systems GmbH and is applicable for all global entities.

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INTRODUCTION

2020 has been different.

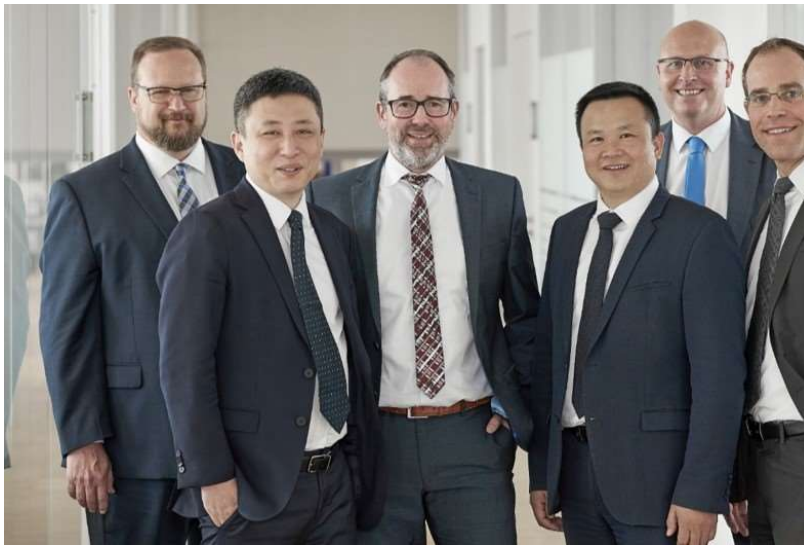
We care for each other and together we were able to achieve great

success in 2020. When there was a shortage of masks, we started to produce them ourselves and provided them to our employees to keep them safe.

In challenging years, you need to think about your core values. Therefore, we decided, that now is more important than ever to take care of our environment, the community we live in, and our employees. That is why we reinforced our environmental initiatives and the global roll-out of our JOYSONQUIN values.

Only with appreciation, care, and creativity we can create a better future.

The Management Team of JOYSONQUIN, 2020



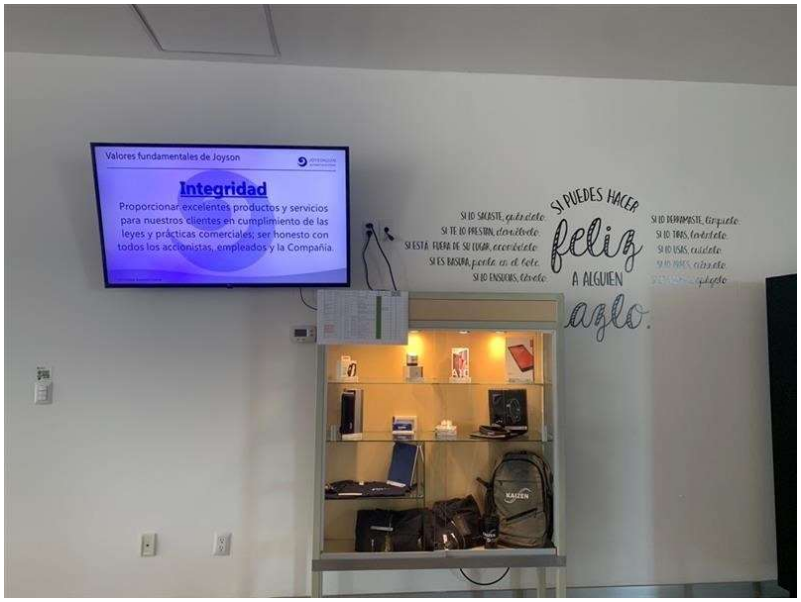
From left to right: Jim Bennethum: Chief Technical Officer and President, North America – Bin Xu: Vice President - Uwe Vander Stichelen: Chief Executive Officer and President, Europe - Yuda Liu: Chairman of the Board and President, China - Torsten Winterwerber: Chief Operating Officer and Vice President - Dr. Johannes Klein: Chief Financial Officer and Vice President

CORE VALUES



Our corporate values have been introduced in all plants and the first actions have already been started.

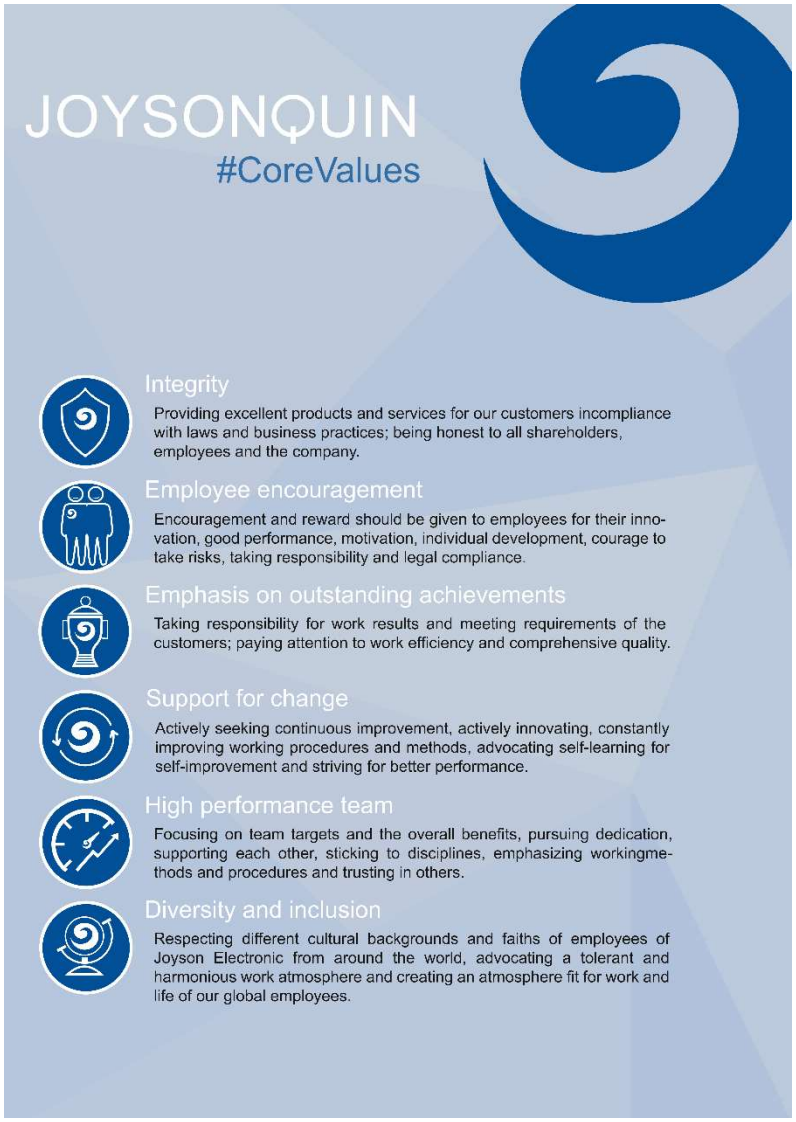
Here is an example from our plant in Mexico.



OUR PHILOSOPHY

JOYSON is Chinese for “WIN-WIN” — and our promise to provide customers with exceptional products and lasting value, along with the finest engineering and craftsmanship.

We take pride in what we do – and how we do it: Develop and apply the latest technology. Blend great design with high functionality and pair advanced engineering with world-class craftsmanship and authentic materials.
Every day is a new chance to improve ourselves.



PEOPLE & HEALTH

117

GENERAL TRAININGS

IN POLAND

17

GREEN BELTS

IN MEXICO AND 10 TO BE

100

TRAININGS

IN TRAININGS DOJOS IN OUR CHINESE PLANTS

The safety of our workers and customers is our top priority.

We have an obligation to our employees that we take very seriously.

Therefore, we initiated several activities from Kaizen-Trainings to create a safer workplace and to consider safety aspects during the design of our products, to health initiatives, contests, and community work.

Despite the difficult situation in 2020, we conducted several trainings in Six Sigma, Lean Management, general safety, and did various trainings in our training dojos.

17 | 10 | 5 | 13

In Mexico, we have 17 Green Belts already, 10 people are in training, we qualified 5 new Green Belts in China and an additional 13 Green Belts in Germany.

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Worldwide we conducted more than 40 Kaizen-Trainings and several trainings in problem solving, Lean, and Kaizen.

In our Safety Dojos, we had more than 83 trainings in China.

OUR ACTIONS IN 2020

At our JOYSONQUIN family, we value the physical and mental health of our employees. Therefore, we implemented diverse projects:

In Poland, we offer sport benefit cards and additional health care. In 2020, employees in Germany can lease a Jobbike „JobRad®“ to support green modes of transportation.

Additionally, we provide additional retirement insurance in selected countries.

In November 2020, JOYSON holding hosted a basketball game in Ningbo. Our colleagues built several teams.

The recreation area & fitness room can be used by our employees. We also offer four days, per month, home office in Rutesheim and flexible working hours, which has been extended during the pandemics.

In 2020, we introduced ergonomic office furniture in Rutesheim, which also includes height adjustable tables.

We are part of a community and want to give back. Last year, we donated face masks for protections during capacity shortage.

In our office facility in Rutesheim we started a health campaign with voluntary appointments for different key aspects. Some treatments in 2020:

Muscle tone measurement

Tension often occurs in the area of the back muscles, especially in the shoulder-neck area. With the muscle tone measurement, these are detected.

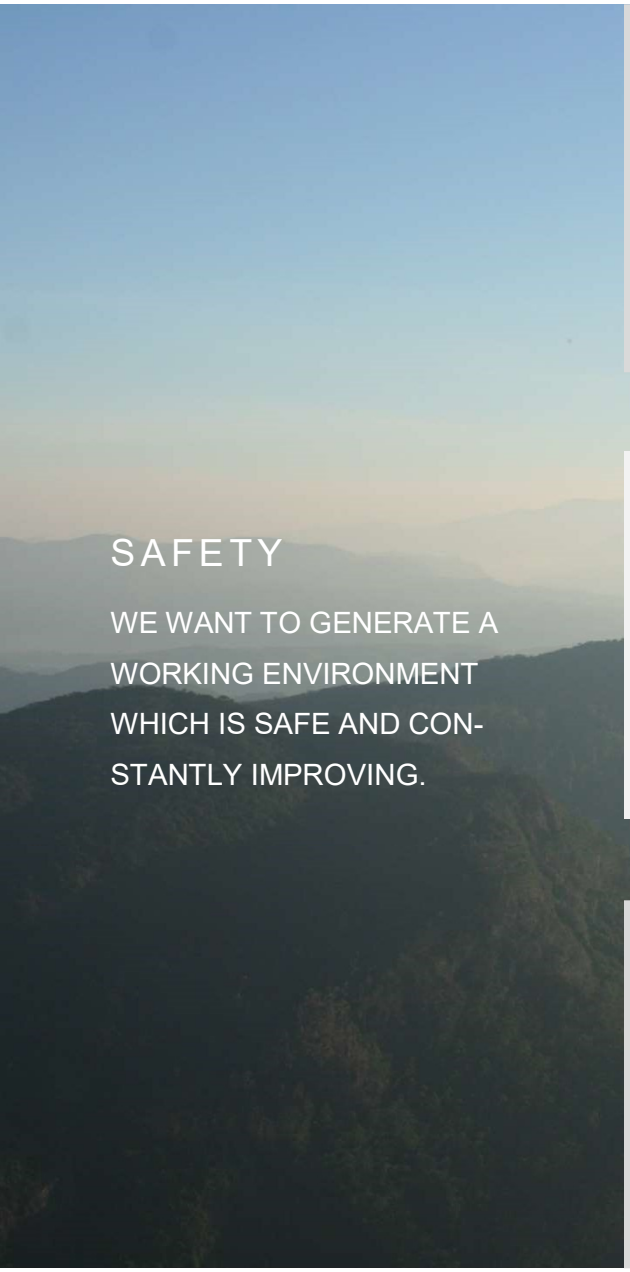
Skin screening

Examination for skin cancer and other skin diseases.

Posture diagnostics

Lack of movement and incorrect posture often lead to pain and tensions in the body. Postural diagnostics involves recording the entire body status

OUR TARGETS AND ACHIEVEMENTS FOR JOYSONQUIN



SAFETY

WE WANT TO GENERATE A WORKING ENVIRONMENT WHICH IS SAFE AND CONSTANTLY IMPROVING.

▼ 26

Reported incidents, worldwide, in 2020.

▼ 41%

Reduction of incidents since 2019.

Ø 25.8

Average lost working days in total – worldwide.

TRAININGS AND CONTESTS

A picture tells more than a thousand words. Our employees took part in the photo contest „My JOYSON Moment“, hosted by JOYSON Holding, and turned in photos of their favorite moment in 2020.

We introduced the JOOC Portal from JOYSON Holding in the second half of 2020 as a training platform worldwide.
Without first-class skilled workers, there is no first-class products.
We also attended „The 4th Forklift Skills Competition 2019”, from JOYSON Holding, to show off our forklift driving and safety skills.



COMMUNITY WORK – POLAND

Helping each other and giving back to the community has become even more important due to the COVID-19 pandemic in 2020.

Standing together and helping each other has become one of our main missions for the year.

For example, we provided financial support to the Hospital in Wałbrzych and a local animal shelter in Poland by providing food, blankets, and towels.



We also joined the nationwide campaign of Christmas aid. Its main premise is the idea of providing direct aid so that it is effective and meaningful, but also give hope to the families that found themselves in a difficult situation.

We want to say “thank you” to the employees who are actively supporting and organizing these activities.



FAIRNESS & DIVERSITY

Our actions and how we treat each other are key elements of our daily business.
Therefore, we decided in 2020 to update our core values.
Several activities were carried out, like introducing a value channel, flyers, and workshops.
All activities have been in alliance with our health regulation during the Covid-19 pandemic, to keep our employees safe.

59 %

UP TO 59% OF WOMAN IN WORKFORCE (2020)



47 %

UP TO 47% OF WOMAN IN MANAGEMENT (2020)

WORKFORCE

For example, our plant in Poland is run by 47% female Managers and 30% in Romania.
In China we had over 39% of female workers in 2020 and 26% of the workforce in Germany are female.
We appreciate diversity and work together as a team consisting of different nationalities and cultures.



6 %

UP TO 6% OF TRAINEES / STUDENTS (2020)

SUPPLIER:

In 2020, we updated our supplier conditions and set up new contracts, including anti-child labor.

Stricter contracts signed:



We set a target for ourselves to develop our supplier to an ISO 14001 certification and a greener footprint.
Trusting each other is our core value and we treat our suppliers with respect and honesty.

OUR COMMITMENT

INTEGRITY

Providing excellent products and services for customers in compliance with laws and business practices; being honest to all shareholders, employees, and the company.

EMPLOYEE ENCOURAGEMENT

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

EMPHASIS ON OUTSTANDING ACHIEVEMENTS

Taking responsibility for work results and meeting requirements of the customers; paying attention to work efficiency and comprehensive quality.

SUPPORT FOR CHANGE

Embracing reform, actively innovating, constantly improving working procedures and methods, advocating self-learning for self-improvement, and striving for better performance.

HIGH PERFORMANCE TEAM

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

DIVERSITY AND INCLUSION

Respecting diversified cultural backgrounds and faiths of employees of JOYSONQUIN from across the world, advocating tolerant and harmonious work atmosphere, and creating an atmosphere fit for work and life of global employees.

OUR ACTIONS IN 2020

AFTER WORK TALK

In 2019, we started with an After Work Talk for an informal discussion, exchange, and open table for all employees with our Management in Rutesheim.

STANDUP MEETING

Every month the Management presents to the employees the current status of the company and informs about ongoing tasks in a personal meeting.

OPEN DOOR POLICY

Employees are encouraged to address issues and open topics to the management at any time. We use state-of-the art technology and tools for respectful and fast communication, which enhances transparency.

OUR ANTI-BRIBERY POLICY

It is our policy to conduct all of our business in an honest and ethical manner. Our company has a zero-tolerance approach to Bribery and Corruption and is committed to acting professionally, fairly, and with integrity in all its business dealings and relationships.

Therefore, it is not acceptable for any of our Employees (or someone on their behalf) to:

1. give, promise to give, or offer a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already granted

2. give, promise to give, or offer a payment, gift or hospitality to a Public Official or Third Party to 'facilitate' or expedite a routine procedure

3. accept payment from a Third Party that they know, or suspect, is offered with the expectation that it will bring a business advantage for them

4. accept a gift or hospitality from a Third Party if they know or suspect that it is offered or provided with an expectation that a business advantage will be provided by our company in return

PLANET & SUSTAINABILITY

Our teams are constantly seeking impactful projects and solutions to reduce our environmental impact. We are focusing our efforts on building awareness and conserving resources. Among our key initiatives are steps to reduce energy consumption and emissions during production. We use formaldehyde-free adhesives and recycled aluminum, for instance. From Mexico to China, our teams identify opportunities to reuse materials and minimize waste. Where possible, we upcycle to give banana plants and papyrus paper, linen or tree bark a second life — and a new function.

We continue to empower our people to “do more with less” by providing trainings and ensuring compliance with ISO 14001 and ISO 45001.

SUSTAINABILITY

- TREES CLOSE TO THE PRODUCTION PLANT
- RECYCLED GRANULES



UPCYCLING

- OLD FRUIT TREES
- FINELINE VINTERIO



BY 2025

Our ambition is to be a circular business built on renewable energy and regenerative resources; decoupling material use from our growth.

We aim to end our dependency on virgin fossil materials and fuels, and we will reduce greenhouse gas emissions in absolute terms while growing the JOYSONQUIN business.

This is how we will contribute to limiting global temperature increases to well below 2°C, aiming towards 1.5°C, by the end of the century.

OUR TARGETS AND ACHIEVEMENTS FOR JOYSONQUIN



100%

of our wood is FSC classified

BY 2021

FSC certification of JOYSONQUIN planned

100%

Renewable Energies in Europe until 2025

CLIMATE NEUTRAL

Our actions to become a climate neutral business:

SHORT TERM

"VEGAN LEATHER" | LIGHT-WEIGHT | NF PP / RECYCLING MATERIAL PP | PLASTIC RE-CYCLATE | WOVEN / KNITTED / FABRIC

MIDDLE TERM

AGILE PROCESSES | BANANA PLANT | BARK | FIBERS | FSC | LINOLEUM | MINIMAL WASTE | NATURAL NEEDLE FELT | "PALM TREE" | RENEWABLE ENERGY | STONE

LONG TERM

BIOPOLYMER (CARRIER, 1K - 2K) | CORK | "RECYCLABLE COMPONENTS" | REDUCED WAYS



1. Design 100% of our products according to our circular design principles by 2025:
   Every product will be designed from the very beginning with the environment in mind, to be reused, refurbished, remanufactured, and recycled as much as possible – generating as little waste as possible. This means that products will be designed to last as long as they are needed, and at the end of their life the materials can be used as resources for new products.

2. Use renewable or recycled materials to produce our products by 2025:
   We will source materials from renewable sources and aim to eliminate virgin fossil materials from our products. We are efficient with resources and see waste as a valuable resource. Our aim is to send nothing to landfill.

3. Take the lead and work together with others:
   We cannot achieve this transformation alone. We will partner with businesses, governments, and customers to change the global agenda. Together, we can make a lasting impact on a large scale.

OUR ACTIONS IN 2020

15 %

LEVEL OF ELECTRIC CARS/HYBRIDS IN OUR HEADQUARTER

10 %

REDUCATION OF HAZARDOUS WASTE (EXPIRED CHEMICAL MATERIALS) AND CARBON WASTE BY 5% FOR STEERING WHEEL PRODUCTION IN POLAND



In 2020, we achieved a 5% reduction of waste, by utilizing used polishing discs in our Poland plant – this is compared to results from 2019. In Poland, we also had an external energetic audit with excellent results.

We started an academic research project in Germany on sustainability and the reduction of CO^2 for the whole company.
A workshop on sustainability with an external consultancy was hosted in Rutesheim, with participants from our Management.



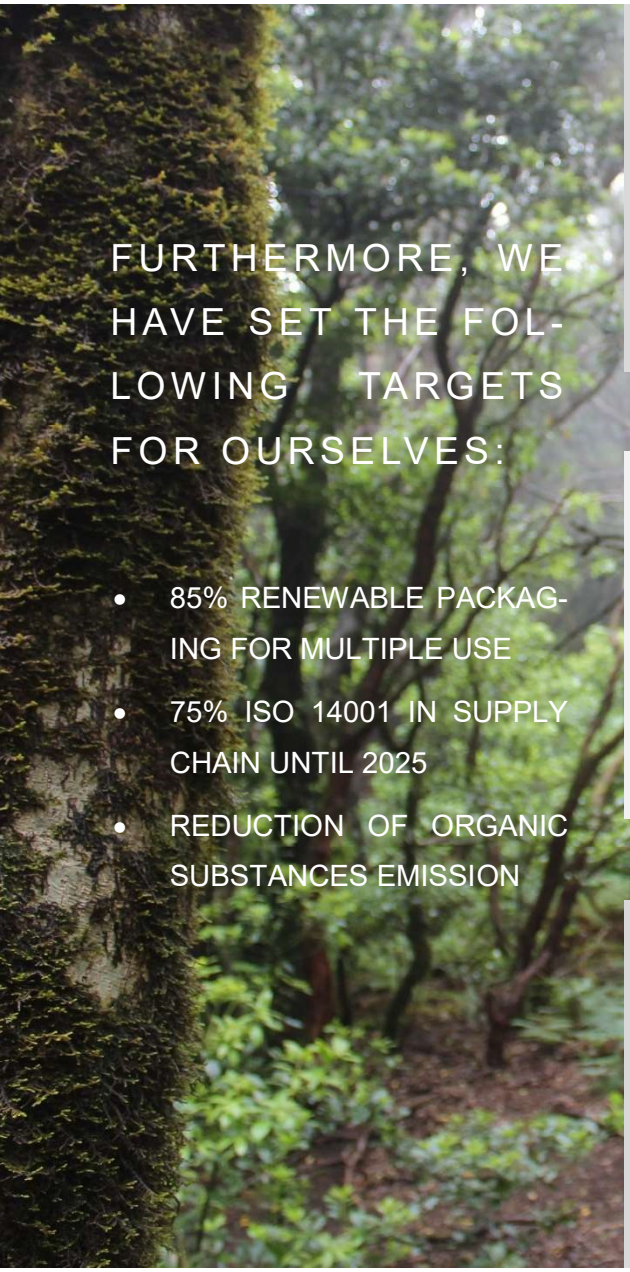
In our headquarter in Rutesheim, we are focused to use renewable energy sources.

We introduced our new recycling concept “Stop-think-recycle“ and completely switched to bamboo tableware for events to further reduce waste. Another example has been our upcycled Christmas cards for 2020 in Germany, which has been made out of scrap material.

In 2019, we had a cleaning activity in Mexico, which will be repeated in 2021, due to the effects of COVID-19.
We achieved a 50% reduction of water intake at our plant in Poland for grinding steering wheels. Additionally, we increased the number of trainings related to environmental protection by 50% in 2020, compared to 2019.

Furthermore, in 2020, several of our plants changed from conventional illumination to LED lighting.

OUR TARGETS AND ACHIEVEMENTS FOR JOYSONQUIN



FURTHERMORE, WE HAVE SET THE FOLLOWING TARGETS FOR OURSELVES:

- 85% RENEWABLE PACKAGING FOR MULTIPLE USE
- 75% ISO 14001 IN SUPPLY CHAIN UNTIL 2025
- REDUCTION OF ORGANIC SUBSTANCES EMISSION

CO^2 NEUTRAL

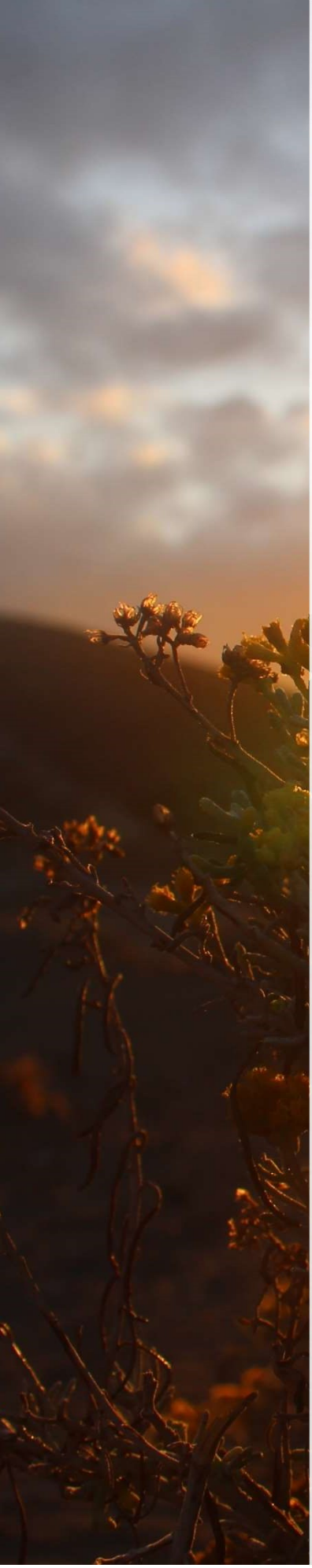
By 2040

15%

Reduction of noise

20%

Reduction of waste and dirty water / sewage



DISCLAIMER

We have tried to take great care in preparing the report. Information is without guarantee and there is no liability for incorrect information.

If you have any questions, please contact **info@joysonquin.com** with the subject: **CSR Report**.