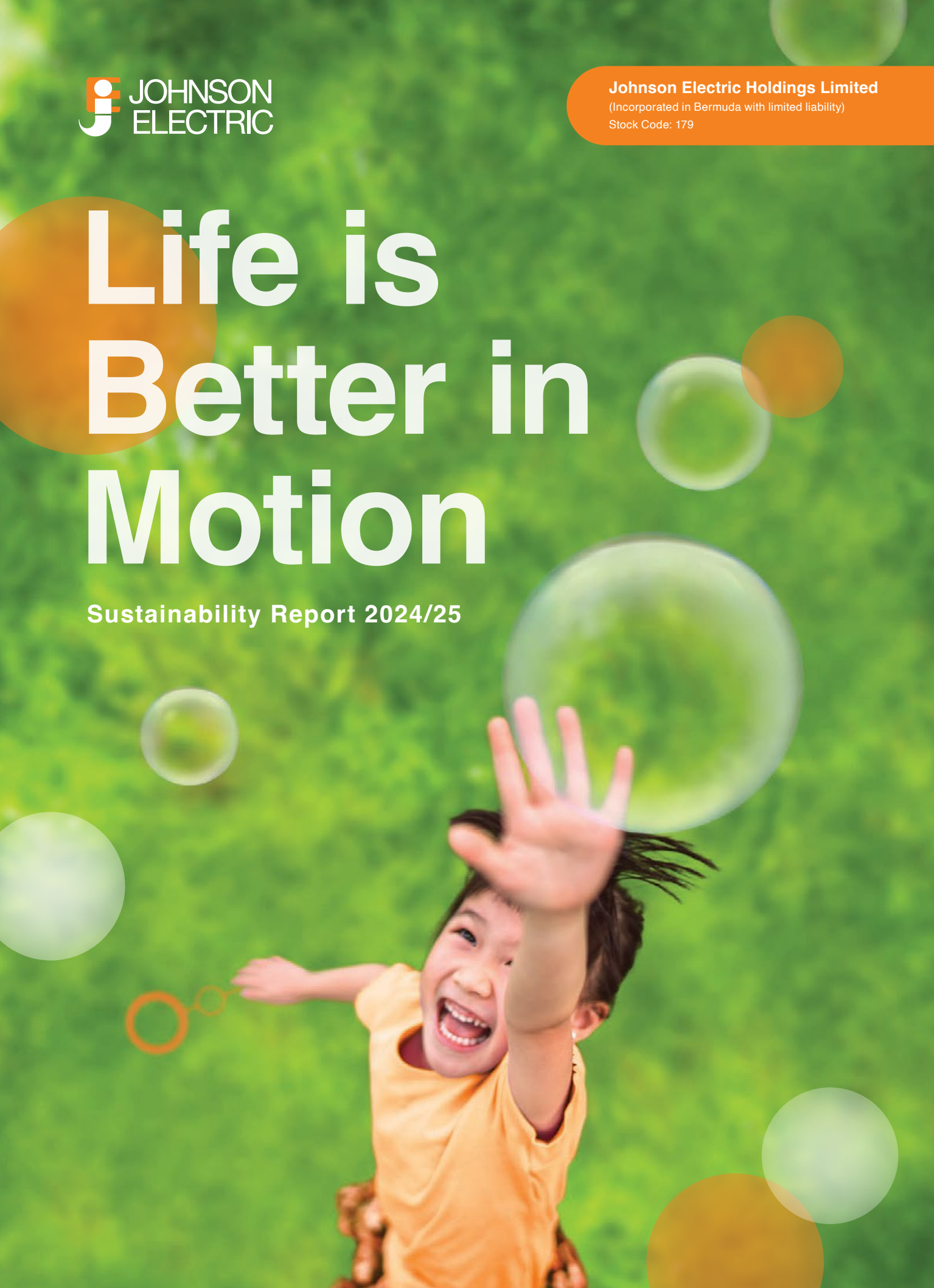
JOHNSON ELECTRIC

Johnson Electric Holdings Limited
(Incorporated in Bermuda with limited liability)
Stock Code: 179

Life is Better in Motion

Sustainability Report 2024/25



Johnson Electric in 2024/25

Employing over **30,000** people including over **1,600** engineers

Generating Total Sales Revenue of **US$3.6** billion and Net Income of **US$263** million

Operating in over **20** countries across **4** continents

Providing motion solutions to approximately **1,500** customers

Making over **4** million products* per day

* Motors and other motion-related products

Surpassed our original **42%** carbon reduction target. New near-term targets for Scope 1, 2 and 3 approved by SBTi

83% renewable electricity use

81% reduction in Scope 2 carbon emissions from FY22/23 baseline, surpassing the new FY34/35 65% reduction target

EcoVadis Silver Medal: Top **6%** among 150,000 rated companies globally

Third consecutive year achieving **zero waste** to landfill*

* 99% or more of generated waste being diverted away from landfill

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About the cover

Johnson Electric continues to ensure "Life is better in Motion" through the provision of innovative motion solutions that bring efficiency, convenience and comfort to every end user we touch.

Improving the quality of life of everyone we touch since 1959

When Mr. and Mrs. Wang Seng Liang founded Johnson Electric in 1959, it was with the simple desire to help make people's lives better – through the products we make and the jobs we create.

For the last 65 years, this purpose has remained our guiding ethos, driving the growth of Johnson Electric from a small Hong Kong business to a multinational company employing over 30,000 people in more than 20 countries spanning Asia, Europe, the Middle East, North America and South America.

Today, Johnson Electric Group is a global leader in the supply of precision motors, motion subsystems and related electromechanical components to virtually every industry that seeks to make people's lives more comfortable, safer and healthier, including the mobility industry and other industrial and consumer product sectors. Johnson Electric Holdings Limited, the Group's parent company, is listed on The Stock Exchange of Hong Kong.

Engineering a sustainable future

"Business as usual is no longer sufficient to meet the challenges of this century, let alone preserve our noble purpose to help improve people's lives." – Dr. Patrick Wang, Chairman and Chief Executive

Our world is becoming more unpredictable each day. Rapid economic growth has led to environmental degradation on a global scale, as well as social discord in many parts of the world. At Johnson Electric, we believe the time is ripe to bring our guiding purpose to the forefront. By leveraging our expertise in motion systems and our experience in serving local communities, we will create positive change, partner with our customers to solve challenges together, and deliver sustainable value to our stakeholders.

Improving the quality of life of everyone we touch since 1959

Our MARBLE values

Make customers successful and end users delighted

Delivering what our customers need to delight their end users is the primary goal of Johnson Electric. We are committed to making our customers successful in their business, as the basis for long-term success in our business.

Attract and empower great people

Johnson Electric aims to offer its people career development that rewards results, enterprise, mentorship and teamwork. We achieve business results by empowering our people. We have employees all around the world and recognize that our business thrives on the diversity of our people and their ideas.

Reach higher

Johnson Electric people set stretch goals for themselves to drive business growth and personal career fulfilment. We know from experience that bold thinking and bold action will bring about extraordinary results.

Be sustainable

Our business model must take into account long term social and environmental impacts of our own operations as well as the operations of our partners and suppliers. Our products should also contribute to the sustainability of the planet. We will reduce greenhouse gas emissions and energy consumption in our own business operations.

Lead by example

Johnson Electric believes that good corporate citizenship requires uncompromising standards of integrity, openness, and fairness. We are committed to demonstrating leadership wherever we do business through the promotion of a safe, healthy and fair environment for our people.

Excel in execution with practical solutions

Johnson Electric's customers expect the highest standards of quality and performance. We work not only to meet those expectations but also to exceed them through continuous cycles of learning, shop-floor practicality and a "can do" mindset. We aim to put innovative ideas into practice quickly as a team and refuse to be stalled by complexity.

Johnson Electric around the world

What began in 1959 as a small Hong Kong business producing micromotors has grown into a company with a worldwide presence and **a total sales revenue of US$3.6 billion, supported by 30,000+ people in over 20 countries across four continents**.

Over its 66-year history, Johnson Electric has become a global leader in electric motors, actuators, motion subsystems and related electro-mechanical components, serving a broad range of industries including automotive, smart metering, medical devices, business equipment, home automation, ventilation, white goods, power tools, and lawn and garden equipment.

Our business

Making our customers successful with motion solutions that deliver more comfortable, safer and healthier products for end users.

Innovating for a sustainable future

Sustainability is an integral part of Johnson Electric's mission and purpose, and we feel excited about the possibilities for us to make an impact in this area. We are working closely with our customers to develop motion-related products that reduce greenhouse gas emissions and energy consumption. We are conducting internal research to improve the durability of our products and to reduce the environmental impact of the materials we use.

E-Mobility (APG)

We contribute to a more sustainable mobility industry, serving both the transportation needs of people and goods. We provide safe, reliable, precisely-controlled motors and other critical motion related products that deliver benefits to our customers and to society as a whole by:

- Tackling climate change. Our products perform critical functions that enable the transition to new-energy vehicles. We also reduce the harmful impact of internal combustion engines through improved fuel consumption.
- Improving air quality in cities through reduced engine emissions.
- Enhancing road safety with products for active and passive safety applications.
- Reducing consumption with less materials used in manufacture and longer product life-cycles.

Industrial, professional and consumer (IPG)

We serve a wide range of industrial, professional and consumer segments. Many of these are experiencing rapid social and technological disruption owing to a complex mix of shifting customer demands and priorities. We are actively seizing new opportunities arising from these changes through products that directly or indirectly address environmental and social needs.

- Our innovative technologies enable our customers to achieve success while reducing consumption and waste, increasing energy efficiency and reducing carbon emissions, and lowering barriers to equality.
- Our Medtech products improve patient well-being, reduce labour intensity and deliver better clinical outcomes in the healthcare applications.

Message from the Chairman and Chief Executive

“The coming year will bring new challenges as well as new possibilities. As always, I am confident that our committed, resourceful and inventive employees will rise to meet these challenges and seize the opportunities that lie ahead.”

Patrick Wang *SBS, JP*
Chairman and Chief Executive

Over the past year, Johnson Electric has made significant strides towards the goals outlined in our Sustainability Framework across five main pillars: Products, Environment, Employees, Communities, and Trust and Transparency.

Two landmark achievements stand out:

- We achieved an EcoVadis rating that places us within the top 6% of over 150,000 globally rated companies
- We surpassed our original Scope 1 and 2 emissions reduction targets five years ahead of schedule – thanks in large part to our commitment to operating with renewable electricity wherever possible.

Underpinning these headline achievements are multiple actions and initiatives across the business, which together form the basis for sustained improvements in the way Johnson Electric operates around the world. For example, we have accelerated the use of product carbon footprint (PCF) and life cycle assessment (LCA) methodologies, quantifying the carbon footprints of dozens of Johnson Electric products. This rigorous and detailed approach not only helps our products become sustainable by design but also supports our customers to meet their own sustainability goals, thus providing us with a growing competitive advantage.

As a global manufacturer with a close-knit network of suppliers and business partners, we have a duty to drive higher standards across our supply chain. In 2024, we enhanced our sustainability assessment systems for suppliers, including on-site audits, while simultaneously offering training and resources to promote sustainable practices.

In 2024, our use of renewable electricity increased to 83% from 53% in the previous year, bringing us closer to our goal of 100% renewable electricity usage by 2025. Additionally, we achieved our goal of zero waste to landfill* for the third consecutive year and reduced our hazardous waste intensity and water withdrawal intensity.

None of these achievements would be possible without the hard work and talent of Johnson Electric’s employees. We remain committed to providing a safe, supportive and inclusive workplace where every employee can grow and flourish. I am therefore proud to report that we have been recognized as one of the “HR Asia Best Companies to Work for in Asia 2024” by HR Asia, a testament to the opportunities we offer and the care we provide.

The coming year will bring new challenges as well as new possibilities. As always, I am confident that our committed, resourceful, and inventive employees will rise to meet these challenges and seize the opportunities that lie ahead.

On behalf of the Board, I would like to thank all of our stakeholders for their commitment and support.

Patrick Wang *SBS, JP*
Chairman and Chief Executive

Hong Kong, June 2025

* 99% or more of generated waste being diverted away from landfill

Testimonials from our customers

SCHAEFFLER

Schaeffler is committed to reduce the carbon emissions not only in its own facilities but also in the upstream supply chain. Johnson Electric's commitment on CO_2 reduction targets is crucial to build more sustainable supply chains.

Dr. Heiko Wöhner

VP Supply Management & Supplier Sustainability E-Mobility at Schaeffler

ZF

At ZF, we highly value our partnership with Johnson Electric, whose commitment to sustainability aligns with ZF's strategy and goals. Johnson Electric's global operations, powered by more than 80% renewable electricity and committed to achieving 100% by FY25/26, demonstrate their dedication to a sustainable, low-carbon pathway. Their efforts in reducing carbon emissions, along with the approved Science Based Targets (SBTi), significantly support our sustainability journey.

As we prepare for upcoming sustainability disclosure requirements, Johnson Electric's proactive stance provides a robust framework for collaboration. We look forward to continuing our partnership and exploring new areas for further collaboration in our shared pursuit of sustainability.

Jesús Tesouro

Global Purchasing
ZF Group

FORVIA

Sustainability is a shared journey and our supply chain plays a pivotal role in driving meaningful change.

By working collaboratively with Johnson Electric, we appreciate they have a dedicated and professional team to deliver good results linked with Sustainability. Product carbon footprint tracking starting at product design and even at innovation stage is same direction as we expect. SBTi approved CO_2 reduction target will solidify our Scope 3 roadmap. EcoVadis silver rating also shows the Johnson Electric expertise in sustainability.

As we move forward, we see a lot of potential in embedding sustainable practices, deepening partnerships etc. These will surely create a resilient and sustainable future for all.

Mechatronics Commodity Purchasing
Faurecia (China) Holding Co., Ltd.

KAUTEX A Textron Company

Kautex is working towards net zero emissions by 2050 – sourcing from suppliers who strive towards sustainability like Johnson Electric is an integral part of the company's strategy, especially since Johnson Electric is showing efforts to reduce their environmental footprint not only in their direct operations but also in their products and value chain.

Daniel Odenell

Director Purchasing CVS Global
KAUTEX TEXTRON GMBH & CO. KG

TIO electric

Johnson Electric shows it is thorough, inventive and dedicated in designing and producing long-term sustainable products and solutions. This is also shown in their proactive, company-wide, approach in relation to green operations, decreasing their carbon footprint and using renewable energy.

Lennart Klaassen

TIO Electric B.V.

Our approach to sustainability

"Excellence is never an accident. It is always the result of high intention, sincere effort, and intelligent execution. It represents the wise choice of many alternatives – choice, not chance."

Quoting from philosopher Aristotle

Johnson Electric's sustainability journey over the past three years has been steady and far-reaching, reflected in the remarkable progress and achievements made across every line of our business. We have consistently outperformed our ambitious sustainability targets and received numerous awards and recognitions, such as being ranked in the top 6% of over 150,000 global companies by EcoVadis, with our score soaring from 48% to an impressive 73% in just three years.

These heights have been reached due to the sincere efforts and intelligent execution of our entire team: through wise choices, not chance.

The success of our sustainability journey is a testament to our outstanding products and our reputation as a trusted partner. We are both humble and proud of the Johnson Electric team for relentlessly pursuing sustainability in everything we do – and in 2025, everything we do will be powered by 100% renewable electricity!

Fernando Lopes

Head of Sustainability and Environment, Health & Safety

Our approach

We strive to build a sustainability culture that empowers every employee to make a positive impact in their day-to-day role.

Sustainability is closely entwined with our values and goals as a business, as well as with our passion for solving customers' problems. Our sustainability journey is inspired by our heritage and character as a company.

As a family business, we have always kept in mind the legacy we leave for future generations. We see ourselves as members of the communities we serve and feel privileged to help those in need.

As engineers, problem-solving is what makes us tick. We have always reinvented "business as usual" to adapt to changing priorities and new technological possibilities.

Today, we apply this problem-solving passion to the challenge of achieving 'sustainability by design': not tinkering around the edges, but going to the root of each problem, with every creative leap underpinned by robust systems and accountability processes.

As a manufacturing firm, collaboration is our lifeblood. Our six decades of success have been built on an intimate understanding of our customers' and end users' needs, and we pride ourselves on partnering with our customers to help them achieve their own sustainability goals.

Drawing on these strengths, we create positive impact through our products and the way we make them; through the jobs we create and the people who fill them; and through the trusted relationships we forge with the customers and communities we serve.

Our Sustainability Framework

About our sustainability logo: The five leaves represent the five spirits of sustainable development and connect to form a blooming flower. The logo conveys a sense of continuous rotation, which also shows that we will continue to be a gear that animates society.

ESG awards and ratings

EcoVadis: Silver medal

Top 6% of 150,000+ rated companies globally

Our EcoVadis score improved significantly in 2024, rising to 73/100 (Silver Medal) from 64/100 last year and 48/100 (Bronze Medal) two years ago.

	2022	2023	2024
Score	48/100	64/100	73/100
Medal	Bronze	Silver	Silver

CDP: 'B' score for climate change and water security

We retained our CDP climate change score of 'B' in 2024, while our CDP water security score was also upgraded two levels to 'B' among more than 24,000 organizations assessed by CDP.

	2023	2024
Climate change	B	B
Water security	C	B

MSCI ESG rating: upgraded to 'AA'

Top 7% in the industry

Our MSCI ESG rating has been upgraded to 'AA' from 'A'. We are now in the top 7% in the auto components industry.

2022	2023	2024
BBB	A	AA

Recognized in the S&P Global Sustainability Yearbook (China) 2024

Top 15% of industry peers in China

We have been included in the Auto Components category of the S&P Global Sustainability Yearbook (China) 2024, ranking among the top 15% of industry peers in China. Based on our global sustainability efforts, we also recorded the highest score among Chinese peers in the 2023 Corporate Sustainability Assessment by S&P Global.

Sustainalytics: Low risk

"Low risk"

In October 2024, we received an ESG Risk Rating of 18.7 from Morningstar Sustainalytics and were assessed to be at low risk of experiencing material financial impacts from ESG factors.

Hang Seng Corporate Sustainability Index Series Member 2024-2025

We have been a constituent of the Hang Seng Corporate Sustainability Benchmark Index since 2018.

FTSE4Good

We became a constituent of the FTSE4Good Index Series in June 2024.

5 years+ 商界展關懷 caringcompany

We have been recognized as a "Caring Company" by the Hong Kong Council of Social Service for 9 years.

HR Asia BEST COMPANIES TO WORK FOR IN ASIA 2024

We have been named one of the "HR Asia Best Companies to Work for in Asia 2024" by *HR Asia*.

HKQAA HONG KONG QUALITY ASSURANCE AGENCY 香港品質保證局

HKQAA Sustainability Rating and Research 2024: A+

2024/25 Sustainability highlights

Products

- Partnered with customers to quantify the product carbon footprint of **70** products
- **30%** **reduction** in the number of complaints as a ratio of sales compared with last year
- **15%** **reduction** in internal defect costs as a ratio of sales compared with last year
- Avoided **1,130** tonnes of packaging materials by providing returnable packaging services to customers

Environment

- Near-term targets for Scope 1, 2 and 3 carbon emissions approved by SBTi
- **81%** **reduction** in Scope 2 carbon emissions from FY22/23 baseline, surpassing 10 years in advance our near-term Scope 2 target of a 65% SBTi reduction from FY34/35
- **Increased** renewable electricity usage to **83%**, up from 53% the previous year. Increased renewable energy usage to 69% from 44% the previous year.
- **3%** **reduction** in waste intensity per sales from FY20/21 baseline
- **18%** **reduction** in hazardous waste intensity from FY20/21 baseline
- **26%** **reduction** in water withdrawal intensity per sales from FY20/21 baseline

Employees

- 37 entities hold ISO 45001 certifications, representing **92%** of sites by number of hours worked
- **28%** **reduction** in lost-time accident from last year, with lost-time accident rate and recordable injury rate remained very low compared to industry averages*
- **An improvement of** **23%** in near-misses communicated from last year
- **An improvement of** **55%** in hazards communicated from last year
- **40%** **increase** in key roles covered by succession reviews
- More than **75%** of senior management roles placed internally
- Recognized as one of the “HR Asia Best Companies to Work for in Asia 2024” by *HR Asia*

* Source: U.S. Bureau of Labor Statistics, incidence rates of nonfatal occupational injuries and illnesses by industry and case types for motor and generator manufacturing (NAICS code 335312).

Trust and Transparency

- Conducted a comprehensive double materiality assessment according to the European Sustainability Reporting Standards framework
- **90%** of employees received ethics training
- **58%** of employees work in entities accredited by TISAX
- **80%** of suppliers by spending have been assessed on their ESG performance
- **90%** of targeted employees# trained in supply chain sustainability

Targeted employees are defined as supply chain employees across all locations who are required to complete training on sustainable procurement

Communities

- More than **1,700** students have now graduated from our Johnson Electric Technical College
- More than **400** children joined the Junior Engineer program
- More than **200** community activities organized through our JEnerations program
- Received the 5 Years+ Caring Company Award from the Hong Kong Council of Social Service

Products

We partner with customers to deliver solutions that drive sustainability.

Core SDGs

Supporting SDGs

"The global automotive industry is continuing to embrace sustainable forms of transportation as a long-term, committed strategy. At the same time, new energy vehicle technologies and strategies are diversifying according to different regional market conditions. As one of the key players on the engineering front, Johnson Electric has spared no efforts in innovating sustainable solutions that meet the diversified needs of our global communities."

Kam-Chin Ko

SVP, Automotive Products Group

"In our journey towards sustainability, every step counts. This year, I'm particularly proud of our team's accomplishments in completing our Scope 3 emissions inventory and surpassing our new near-term science-based target for Scope 2 emissions. This means that we are not just measuring our impact but also making great strides towards improving it, which helps our customers to meet their own sustainability goals. Let us continue to innovate, inspire, and lead the way towards a greener future."

Austin Wang

Executive Director and Executive Vice President

Main topics and key highlights

Sustainable products	• Continue to provide sustainable products to our customers
Product carbon footprint	• Sustainable product by design: Partnered with our customers in delivering product carbon footprint to their products • 70 products' product carbon footprints quantified
Product quality and safety	• 30% reduction in the number of complaints as a ratio of sales compared with last year • 15% reduction in internal defect costs as a ratio of sales compared with last year
Material management and use	• Avoided 1,130 tonnes of packaging materials by providing returnable packaging services to customers

Products

Johnson Electric brands

Motion Subsystem

JOHNSON MOTOR

Automotive EV thermal management system solutions

PENDIX

E-bike solutions

VSC.BIKE

Cargo bikes

JOHNSON MOTOR

eZTR system solutions

LEDEX

Warehouse automation solutions

JOHNSON MEDTECH

Surgical solutions

Motors & Actuators

JOHNSON MOTOR

DC micromotors, AC motors, EC motors

GATE

Brushed and brushless cooling fan module and motors

AML SYSTEMS

Lighting system actuators

saia-burgess

Automotive HVAC actuators

saia

Linear & rotary stepper motors

NANOMOTION LTD.

Piezo motors

Switches, Solenoids & Relays

saia

Microswitches

burgess

Trigger switches

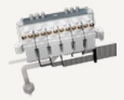
LEDEX

Solenoids & relays

Valves

JOHNSON MEDTECH

Medical solenoid valves



saia-burgess

Automotive auxiliary coolant valves, spider valves

saia

Valves

Flexible Circuits

PARLEX

Flex circuits, printed circuits, printed electronics, thermal management, Human Machine Interface

Powder Metals & Pumps

Stackpole International

Fuel cells, pumps, gears, carriers, differential cases, sprockets

Stackpole International

Engine and transmission oil pumps

JOHNSON MOTOR

Automotive water pumps, data cooling pumps

Products

Our approach

At Johnson Electric, our core purpose is to improve the quality of life of everyone we touch through our innovative motion systems. This includes protecting the environment for future generations, a promise that is integral to our MARBLE value of “be sustainable”.

Our product designers and engineers are passionate about delivering “sustainability by design”, creating innovative product solutions that contribute to the sustainability of the planet both in their use and their manufacture.

This plays a crucial role in helping our customers achieve their own sustainability goals, including empowering their end consumers to embrace greener living. Across every sector, our customers are setting increasingly ambitious sustainability goals and placing ever more rigorous expectations on their suppliers. We enthusiastically embrace this challenge and take great pride in the significant contributions we are making to our customers’ sustainability journeys.

Many of our motion solutions perform critical functions in battery electric vehicles and other new energy vehicles, helping to drive a green transformation in the mobility industry by improving the energy efficiency of EV powertrains, extending the lifespan of key systems, and reducing the use of materials.

Our deep understanding and anticipation of customer needs make us the ideal partner for automakers as they take on the historic challenge of replacing the internal combustion engine with sustainable alternatives.

We also excel at developing attractively priced products that feature high energy efficiency, low noise and long life cycles, suitable for domestic appliances such as lawn mowers, power tools, window automation, air conditioning and smart meters, bringing comfort and sustainability into people’s everyday lives.

To support this, we are continually finding ways to make our manufacturing processes more resource and energy-efficient. This includes using life cycle assessment and product carbon footprint methodologies to fully capture, track and reduce our products’ environmental impact from start to finish. We are also partnering with our suppliers to improve sustainability standards and practices across the supply chain.

Johnson Electric aspires to be a key player in the transition towards a sustainable future while supporting economic growth. We are proud to partner with our customers to deliver product solutions that drive sustainability, and will continue to seek new breakthroughs in sustainable product innovation.

Building a global-local manufacturing footprint

We aim to support our customers by being close to where they operate and ensuring fast and reliable supply and a highly responsive service. To do this, we are strengthening our in-region capabilities and introducing advanced resource and energy-efficient manufacturing technologies to our factories across Asia, North America, South America, Europe and the Middle East, including in nine developing countries*. We are also increasingly localizing our internal and external supply chains, which is expected to deliver a range of positive sustainability impacts.

Positive impacts from closer proximity to customers

Closer proximity to customers brings about positive impacts across various dimensions.

Shortening logistics routes has economic benefits, such as lower freight costs and reduced inventory levels, enabling a swifter response to changes in demand. From an environmental standpoint, it leads to lower carbon emissions resulting from transportation. Socially, it fosters more connections to local communities, while from a governance perspective, it enhances closer engagement with customers.

Increasing the localization of internal and external supply chains also yields favourable outcomes. Economically, it reduces exposure to tariffs and duties by increasing local content, while also mitigating risks associated with fluctuating exchange rates. Moreover, it strengthens local economies. In terms of the environment, it contributes to the reduction of packaging materials. Socially, it creates opportunities for local employment and the development of technical capabilities. From a governance standpoint, it helps mitigate risks arising from global trade issues.

Developing a diverse manufacturing footprint, coupled with the ability to source materials and components from other regions in the event of localized disruption, has its own set of advantages. Economically, it facilitates capacity building, including in developing countries, and ensures a stable spend line. Environmentally, it involves disseminating resource and energy-efficient manufacturing technologies to our factories, including those in developing countries. Socially, it fosters the building of a more diverse workforce and the upgrading of technical capabilities in local industrial sectors. In terms of governance, it increases business resilience by reducing reliance on any single country or factory.

* We contribute to the exports of Argentina, Brazil, China, Hungary, India, Mexico, Poland, Serbia and Türkiye, all listed as developing economies in the International Monetary Fund’s World Economic Outlook Database, October 2024.

Sustainable products

Our approach

We offer a growing portfolio of products that support the global drive towards sustainability, helping our customers to navigate the transition to a low-carbon, resilient and resource-efficient economy.

We work closely with our customers across a diverse range of industries and geographies to understand their end users' requirements and preferences. These include better energy efficiency and reduced emissions; a cleaner environment; improved health and wellbeing; support for the smart revolution in the car and home; automation of mundane tasks through artificial intelligence; improved security; superior product functionality, and ease of use that reduces accessibility barriers related to age, gender and disability. Based on our keen understanding of complex needs, we develop attractively priced products that offer effective solutions to our customers' problems, including improving their environmental and social impact.

Sustainability is also intrinsic to our product development. We engineer for efficiency, striving to "make customers successful and end users delighted" with products that take fewer resources to manufacture, use less energy to deliver the required performance and functionality, and have a longer operating life. We have also taken steps to quantify the carbon impact of our raw materials and production processes, further enhancing our ability to develop products that are sustainable by design (see "Product carbon footprint" section below).

Our "Eco Motion" symbol on product packaging denotes products that are sustainable and energy-efficient

Our vertical integration also helps customers to reduce their environmental footprint. Customers are increasingly asking for more complete motion subsystems, including motors, switches, gears and controlling electronics, rather than simply purchasing a motor. This reduces their costs, simplifies their logistics flow and reduces negative environmental impacts from transportation and packaging.

Green products

We follow the EU Taxonomy guidelines for classifying our products as "green", "transitional", or "health and safety" related. This provides internationally recognized criteria to support our efforts to assess positive impact and align our growth strategy with global climate and sustainability goals, achieving a level of environmental performance that all stakeholders may recognize as "green".

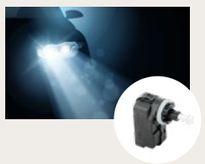
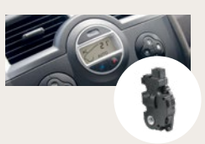
E-Mobility segment

(Automotive Products Group, APG)

The automotive industry enables the high degree of mobility that shapes modern life and its industry, cities and communities. It provides access to economic opportunities and improved standards of living. However, this mobility comes with environmental and social impacts, including climate change, pollution, noise, congestion, road traffic accidents and resource depletion.

We apply our innovative technology to contribute to a more sustainable automotive industry by tackling some of these environmental and social challenges. We create positive impacts through the electrification of critical automotive functions in new energy vehicles ("NEV") to improve performance and lengthen the service life of critical components. This represents a significant source of opportunity, especially as the industry shifts from internal combustion engine ("ICE") to hybrid and battery electric vehicles ("BEV") to lower carbon emissions and reduce climate change risks. We also help mitigate the negative impacts of ICE.

The table on the following page shows the typical sustainability benefits for a selection of our Automotive Product Group's products.

Automotive Products Group		BEV	Hybrid
Thermal management Integrated thermal management system, electric cooling fan module, electric water pump, cooling valve, electric oil pump, and other thermal components		✓ Increased driving range ✓ Greater longevity of critical components ✓ Less material used in product design than traditional parts	✓ Reduced fuel consumption ✓ Lower engine emissions
By-wire chassis and steering Electromechanical braking motor (brake-by-wire), steering-by-wire motor, electric parking brake actuator and motor		✓ Improved braking performance for safety ✓ Improved parking safety ✓ Supports higher level of autonomous driving ✓ Reduced weight due to less material used in product design than traditional parts	✓ Improved braking performance for safety ✓ Improved parking safety ✓ Supports higher level of autonomous driving ✓ Reduced weight due to less material used in product design than traditional parts
Powertrain E-shift motor, e-clutch, and resolver		✓ Critical components of traction motors ✓ Increased EV e-axle efficiency	✓ Critical components of traction motors ✓ Reduced energy and fuel consumption ✓ Lower engine emissions
Vision Headlamp actuator, LuMEMS (levelling using MEMS) levelling actuator, condensation management device		✓ Improved safety on uneven roads and harsh weather conditions ✓ Reduced waste from maintenance and replacement ✓ Supports higher level of autonomous driving	✓ Improved safety on uneven roads and harsh weather conditions ✓ Reduced waste from maintenance and replacement ✓ Supports higher level of autonomous driving
Smart closure Power door opener (PDO) motor, charging port actuator, flash handle motor		✓ Improved aerodynamics due to lack of door handles, allowing for longer driving range and less energy consumption	✓ Reduced fuel consumption
Climate control Heating, ventilation		✓ Saves energy by directing airflow to where it is needed in the cabin	✓ Saves energy by directing airflow to where it is needed in the cabin

Industrial, professional and consumer segments

(Industry Products Group, IPG)

The Industry Products Group ("IPG") serves a wide range of industrial, professional and consumer segments. Many of these sectors are undergoing rapid social and technological change, arising from a complex mix of shifting demands and priorities.

Society has benefitted from the increasingly varied use of electromechanical components in our devices and equipment. This has improved quality of life and removed accessibility barriers as equipment becomes smaller, lighter and easier to use. However, the trade-off is often environmental stress from increased energy demand and more mining and processing of raw materials.

Environmentally friendly alternatives exist, but unless they can be made affordable, consumers will continue to choose cheaper technologies with shorter life cycles or poor energy efficiency.

IPG has seized the opportunity to bring environmentally friendly products to market at an attractive price. We are creating positive sustainability impact through products that replace the internal combustion engine (especially in outdoor equipment), perform critical functions in the smart meters that actively encourage energy awareness, lighten power tools that lower barriers to equal access for people of all physical abilities, and improve health and wellbeing (for example, through foetal monitoring patches and products for medication delivery and surgical automation). At the same time, we mitigate the negative impacts of the consumer economy with products that help our customers to improve energy efficiency, decrease carbon emissions and reduce pollution.

Our market-leading product innovations also help our customers to stay up to date with government directives on energy efficiency and consumption for appliances and buildings, etc.

The table on the following page shows the typical sustainability benefits for a selection of our Industry Product Group's products.

Industry Products Group		Climate change and energy efficiency	Noise	Equality	Health and wellbeing	Waste prevention
Brushless motors for power tools		✓ Energy efficient	✓ Quieter than brushed motor tools	✓ Compact size and lighter weight		✓ Long life cycle
Window automation		✓ Better management of natural light, heat and ventilation	✓ Quiet operation	✓ Increased comfort and ease of use	✓ No cord – child friendly	✓ Long life cycle
Smart meters and gas valves		✓ Increased consumer responsibility for energy choices ✓ Highest grid efficiency with lowest power losses			✓ Designed for safety first: exceeds UL, ANSI, NEMA, CSA and IEC standards*	✓ Long life cycle
Lawn and garden, agriculture and forestry		✓ Direct replacement of ICE mowers and outdoor tools	✓ Low noise is a basic requirement for lawn and garden products	✓ Lighter and easier to use tools	✓ Power on-off at the touch of a switch	✓ Long life cycle
Air-moving solutions		✓ Energy efficient for all-day use	✓ Low noise for unobtrusive all-day use		✓ Improved air quality	✓ Long life cycle
Drives for minimally invasive surgery				✓ Reduced weight that enables female surgeons to engage in long hour operations	✓ Precise and consistent actuation ✓ Robust and highly reliable	✓ Long life cycle ✓ High power in compact package
E-bike solutions		✓ Direct replacement of ICE delivery vehicles				

* UL – Underwriters Laboratories; ANSI – American National Standards Institute; NEMA – National Electrical Manufacturers Association; CSA – Canadian Standards Association; IEC – International Electrotechnical Commission

Product carbon footprint

Our approach

Working closely with our customers, we have strengthened the research and development of products that are low-carbon and sustainable by design.

To achieve this, we have adopted a product carbon footprint ("PCF") and life cycle assessment ("LCA") approach to assess opportunities, prioritize, and make appropriate business decisions.

LCA is a methodology* for measuring and quantifying a product's end-to-end environmental and economic impacts. By examining each step in the product's life cycle, LCA considers how raw materials were extracted; which resources are consumed in planning or designing the product; material and energy use during manufacturing, packaging, and distribution; impacts from using the product; and waste and pollution created throughout the process and at end-of-life.

The difference between LCA and PCF lies in their scope. LCA is a comprehensive method that evaluates the environmental impacts of a product throughout its entire life cycle, such as eutrophication potential and ozone depletion, from raw material extraction to disposal or recycling. PCF, on the other hand, is a more specific measure within the LCA framework that focuses solely on the carbon emissions associated with a product throughout its life cycle. It is a subset of LCA that quantifies the greenhouse gases produced directly and indirectly by a product. PCF is particularly relevant in the context of climate change as it helps organizations to understand and manage their carbon footprint.

As this can be a complex, data-intensive process, we have taken on the challenge of integrating LCA with our existing processes through an LCA automation approach. To align with the ISO 14044:2006 life cycle assessment standard, the ISO 14067:2018 carbon product footprint standard and the greenhouse gas protocol product standard, we have partnered with Sphera to implement its Sphera LCA product sustainability tool for product life cycle assessment, product carbon footprint and environmental product declaration.

Commitments and targets

Our ambition is to develop all new products with optimized best-in-class life cycle assessment, product carbon footprint and environmental product declaration ("LCA/PCF/EPD"). This will help us to improve our sustainability performance and thus make vital contributions to our customers' sustainable supply chain goals and commitments.

Performance in FY24/25

Since launching our first LCA/PCF/EPD project in FY22/23, we have made significant efforts to advance the use of product carbon footprints in our product design. So far, we have successfully quantified 70 products' product carbon footprints. This covers motor platforms and actuators, including our cooling fan module motor, oil pump, water pump, actuator, window lift motor, sunroof motor, and permanent magnet DC brushed motors. This has allowed us to propose comprehensive decarbonization plans to our customers.

70 products' PCFs quantified

Based on the insights gleaned from this strategic approach, we have undertaken various reduction strategies to minimize our product carbon footprints. These include avoiding carbon-intensive materials and manufacturing processes, adopting 100% renewable energy in our manufacturing operations (as available and feasible at each site), sourcing sustainable materials and incorporating low-carbon and recycled materials in plastics and metals. Additionally, we have implemented design changes to incorporate more lightweight components, such as replacing die-cast components with stamped parts.

An increasing number of customers are requesting product carbon footprint information as part of their procurement processes, often utilizing their own checklists. To meet this challenge, we have now set up an automated method for calculating product carbon footprints in ways that meet our customers' requirements.

As we align our targets with our customers' goals for reducing carbon emissions, we will strive to continuously implement and optimize strategies to further reduce our product carbon footprints.

* Our life cycle assessments encompass abiotic depletion, acidification potential, eutrophication potential, global warming potential, ozone layer depletion potential, photochemical ozone creation potential, ecotoxicity, human toxicity, primary energy demand and water consumption throughout the entire life cycle from extraction of raw materials to end-of-life of the product.

Product quality and product safety

Our approach

Johnson Electric is dedicated to being the trusted and safe choice for our customers. We consistently meet and exceed their expectations by delivering high-quality products that comply with global industry standards. Through strict adherence to these standards, rigorous testing, and a commitment to continuous improvement, we ensure the safety, reliability and performance of our innovative solutions.

Safe product releases

We constantly invest in new products and technology to drive sustainable innovation. Our Johnson Electric Product Development System (JEPDS) combines engineering and manufacturing product quality planning methodologies to ensure the safe and flawless execution of new product launches.

JEPDS complements the Advanced Product Quality Planning framework guiding engineers through the tasks and engineering tools they should utilize during new product development and the subsequent industrialization of products. The system incorporates fundamental project management principles, risk management, and a comprehensive suite of tools designed to facilitate robust design and develop reliable products engineered for manufacturing and automation.

From the initial conceptual design through to product design verification and validation, these methodologies include advanced product quality planning, V-model* product development, quality function deployment, simulation-led product design, anticipation of failure modes and failure mode analysis, reliability simulation and testing, product validation, and safe product launch procedures.

The culmination of these efforts is the safe product release, a comprehensive process dedicated to ensuring that products meet or exceed all performance, safety, and quality standards before the start of production. This process involves rigorous testing and validation phases, stakeholder reviews, and meticulous compliance checks with industry regulations and standards. In doing so, we not only safeguard the integrity of our products but also provide confidence for our customers and partners.

Customer and regulatory quality assurance

Our manufacturing facilities and in-house testing laboratories are compliant with relevant international standards as appropriate. These international standards include:

- ISO 9001 for quality management system
- IATF 16949 quality management system (which contains sector-specific supplemental requirements on applying ISO 9001 for the automotive industry)
- IECQ QC080000 hazardous substance process management system for hazardous-substance-free legal and customer requirements such as Restriction of Hazardous Substances (RoHS), End-of-Life Vehicles (ELV) and Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH)
- ISO 13485 quality management system for meeting regulatory requirements for the medical devices industry
- ISO/IEC 17025 for competence of testing and calibration laboratories

This allows us to meet the ever-growing quality requirements of customers and industry regulators. Our products are also compliant with all mandatory health, safety and environmental protection requirements, as tested by recognized external testing laboratories and bodies.

A list of the certificates held by our entities can be found on pages 184 to 187 of this report.

* The V-model is a sequential software development process emphasizing testing to ensure quality and reliability in product development.

List of key product quality and safety certificates

Certificate	Description	Requirements	Certified products*
China Compulsory Certificate (CCC Mark)	A national safety and quality mark that is required for certain products sold in China.	Product safety compliance	DC motors, AC motors, shaded pole motors, brushless DC motors with controller, AC/DC switches
European Conformity Mark (CE Mark)	A certification that a product complies with European Union regulations for health, safety, and environmental protection. It stands for "Conformité Européenne," meaning "European Conformity." It is mandatory for certain products and critical components sold within the European Economic Area (EEA).	Meeting relevant safety regulations or customer product safety requirements and product safety compliance	DC motors, AC motors, shaded pole motors, brushless DC motors with controller, AC/DC switches
European conformity mark (E-mark)	A mark indicating that a vehicle or vehicle component complies with European Union regulations, laws and directives. Controlled items sold in Europe must bear an E-Mark. The E-mark certification is issued by a certified authority.	Meeting relevant safety regulations or customer product safety requirements	Low voltage DC motors, low voltage DC motor pumps
National Sanitation Foundation (NSF)	A mark indicating that a product has been independently tested and verified by the National Sanitation Foundation, meaning it meets strict standards for public health and safety.	Meeting relevant safety regulations or customer product safety requirements	Low voltage DC motors, low voltage DC motor pumps
Verband der Elektrotechnik (VDE)	A certification issued by the German association “Verband der Elektrotechnik, Elektronik und Informationstechnik” (Association for Electrical, Electronic, and Information Technology) which signifies that an electrical product meets high safety and quality standards, having passed rigorous testing by the VDE institute.	Meeting relevant safety regulations or customer product safety requirements	DC motors, shaded pole motors, brushless DC motors with controller
Underwriters Laboratories (UL Mark)	A mark indicating that a product has passed safety, quality or security tests by Underwriters Laboratories. The UL mark is a globally recognized symbol of safety and performance.	Meeting relevant safety regulations or customer product safety requirements	Various types of motors (DC, AC, shaded pole, synchronized, brushless DC), insulation systems, plastic resin, gap filler, plug cord sets, motor controllers for gardening tools, wiring harnesses, AC/DC switches, solenoids and brushless DC motor pumps

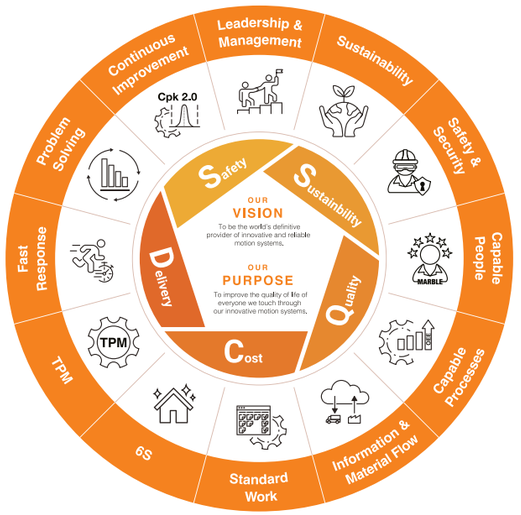
* Selected model number or series only.

Continuous improvement

Johnson Electric has a strong heritage of setting ambitious targets and driving continuous improvement through ongoing cycles of learning. This heritage is engrained in our MARBLE values of “reach higher” and “excel in execution with practical solutions”, and serves as the basis for both our long-term success and that of the stakeholders who depend on us.

Our global manufacturing footprint shares a uniform supply chain and common production quality system across the four continents in which we have factories. Meanwhile, our vertically integrated business model gives us the speed and agility to respond immediately to changes in customer and market demand, identify opportunities to reduce and eliminate waste, and drive the highest standards in product quality and process capability.

Through the Johnson Electric Production System (“JEPS”), we are reducing process variation, waste and costs and targeting a Cpk of 2.0 for process capability performance, thus taking a systematic approach to increasing customer service levels. We also constantly invest in new process technologies, automation and process digitization to enhance the sustainability and efficiency of our manufacturing operations.



The Johnson Electric Production System (JEPS) comprises 12 key standards that form the framework of our production system.

Quality excellence

Making customers successful is our first MARBLE value. Understanding how we are performing against this goal through continuous cycles of learning is fundamental to our continuous improvement and quality excellence efforts.

We know we are achieving this goal when customers recognize that agreed targets are being met or exceeded. Over the past year, we have received customer awards recognizing consistent good performance in quality, delivery, robust operating systems, material management and compliance with environmental system requirements. Our plants have received supplier quality excellence awards, recognizing Johnson Electric for our collaboration and quality performance.

Customer feedback handling system

We treat every customer complaint as an opportunity to improve our product performance and service value.

Each complaint is logged on our global customer complaint handling system. This system provides a real-time communication channel between front-line staff and engineers in our manufacturing sites and design centres, facilitating rapid, team-based responses to customer issues.

Each logged complaint is managed through a rigorous root cause analysis procedure based on the “Eight Disciplines” problem-solving methodology*.

All knowledge gained from understanding the physics of failure feeds into our new product development and continuous improvement systems.

Recall and traceability

Any issue relating to the safety or reliability of our products, whether identified through customer feedback or internal control processes, will trigger defined product recall procedures. Unique product identifiers and manufacturing execution traceability systems enable timely and appropriate response actions.

* This methodology comprises eight steps: establish a team, identify and define the problem, contain the problem, define and verify the root causes of the problem, select and verify corrective actions, implement permanent corrective actions, monitor and prevent recurrence, and reward the team.

Commitments and targets

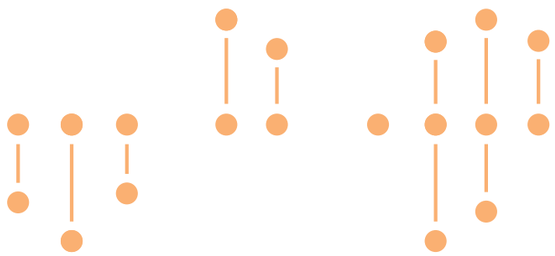
- Zero product safety and non-compliance incidents and zero recalls of products sold or shipped due to health and safety reasons
- 5% reduction in customer complaints as a ratio of sales each year through to 2028
- 7% reduction in internal defect costs as a ratio of sales each year through to 2028
- Continuous cycle of knowledge and learning fed back into new product and process development

Performance in FY24/25

We maintain a low ratio of complaints to sales. In FY24/25, there were:

- Zero product safety and non-compliance incidents, and zero recalls of products sold or shipped due to health and safety reasons
- 725 valid customer complaints received, representing a 30% reduction in the number of complaints as a ratio of sales, compared with FY23/24
- 15% reduction in internal defect costs related to in-process failure as a ratio of sales, compared with FY23/24

-30% number of complaints as a ratio of sales



As part of our commitment to operations excellence and quality first, Johnson Electric made significant progress throughout 2024 in enhancing quality and operational efficiency. We initiated a series of efforts aimed at achieving zero quality defects and improving overall equipment efficiency through waste elimination. Guided by the Johnson Electric Production System and the Cpk 2.0 continuous improvement standard, we effectively reduced production losses and minimized process variations, resulting in a 15% reduction in internal costs and a 30% decrease in number of complaints, both measured as a ratio of sales.

Our continuous improvement focus was complemented by our ongoing advancements in digitization and automation. We are actively transforming manual manufacturing systems by automating processes and integrating IoT sensors for real-time monitoring. These sensors provide immediate data on equipment performance and manufacturing conditions, facilitating the real-time identification and resolution of potential issues, thus ensuring optimal quality and efficiency.

In 2024, we broadened our digital strategy by promoting the use of machine learning and artificial intelligence within our operations. Our workforce benefited from both physical and virtual workshops and best practice sharing. The implementation of AI-driven process monitoring systems is now yielding predictive insights, enabling our teams to proactively optimize production variables for improved productivity and quality.

Supporting our digitization and automation initiatives, we remain focused on reinforcing fundamental practices. We revitalized our emphasis on fast-response action teams and enhanced layered process audits (“LPAs”). These teams quickly address production issues using data-driven insights, while visual dashboards simplify complex data for rapid decision-making. LPAs ensure strict adherence to internal quality standards, reinforcing our culture of quality and efficiency throughout the organization.

-15% internal defect costs as a ratio of sales

Material management and use

Our approach

Our manufacturing processes consume raw materials such as steel, copper, aluminum, and plastic resins. We mitigate the environmental impact related to this by:

- Using environmentally sustainable materials and renewable energy wherever possible
- Purchasing materials with recycled content wherever possible (without compromising product functionality)
- Reducing consumption of carbon-intensive materials
- Recovering scrap materials from production and reusing them wherever economically or technically feasible, and otherwise selling them for offsite recycling

We aim to maximize efficiency and minimize waste in our material use, with a focus on consuming less, reducing toxic chemicals and lowering environmental impact throughout the material’s life cycle.

We also refurbish and adapt our machines when needed to improve their function, integrate them into our eco-efficient automated lines, repurpose them or otherwise extend their lifespan. This lowers replacement rates and thus waste, leading to more sustainable and efficient manufacturing operations.

Commitments and targets

Our targets include:

- Measuring the quantity of waste recycled and recovered onsite through direct reuse in our operations
- Measuring the percentage of recycled materials used as inputs for targeted purchased items, including material recovered from our own operations as well as purchased recycled materials
- Measuring our products’ carbon footprints, and gathering data on the carbon footprints of components sourced from suppliers
- Analyzing and incorporating customers’ material requirements such as the EU’s directive on end-of-life vehicles, forbidden materials and substances, and content requirements
- Sourcing raw materials from suppliers that use renewable energy

For information on responsible mineral management, please see “Trust and Transparency – Supply chain” section.

Providing returnable packaging for shipments to customers

We have reduced our consumption of packaging materials including plastic, cardboard and wood pallets through the use of returnable packaging for in-region shipments to certain customers in Asia, Europe and the Americas.

Since 2020, we have provided returnable packaging for shipments to eight customers in Liuzhou, Shanghai, Shenzhen, Wuhan, Wuxi, Yantai, Guangzhou and Zhejiang, China. This initiative avoided the use of 1,130 tonnes of packaging materials in 2024.

1,130 tonnes of packaging material avoided

Material management and use

Management of risks associated with the use of critical materials

The effective management of risks associated with critical materials is crucial to ensuring organizations' smooth operation and sustainability. Within our company, we have identified steel, resins and rare earth as critical materials that pose potential risks to our operations. Each of these materials carries specific risks, such as supply chain disruption, fluctuating prices, raw material concentration and geopolitical tension. We are committed to carefully assessing and monitoring the various types of risks associated with each critical material and putting in place strategies to mitigate these risks. By proactively addressing these challenges, we aim to secure stable supply, optimize costs and ensure operational resilience in uncertain conditions.

The table on the following page gives examples of the risks associated with certain critical materials and our strategies to mitigate those risks.

Critical material	Type of risk(s)	Strategies to mitigate the risk(s)
Steel	• **Geopolitical tension**: steel supply chains can be influenced by geopolitical tensions, particularly in cases where the supply of steel is centred in specific regions • **Mergers and acquisitions**: consolidation within the steel industry through mergers and acquisitions can disrupt the supply chain, as changes in ownership or restructuring of steel mills may affect the reliability, pricing and availability of steel materials • **Regional pricing**: steel prices can vary and fluctuate across different regions, potentially impacting manufacturing costs and profitability • **Sustainability regulation**: increasing emphasis on environmental sustainability and regulations related to the steel industry can pose challenges. Compliance with sustainability requirements, such as reducing carbon emissions and improving energy efficiency, may require additional investments and adjustments in manufacturing processes	**Bifurcation and localization**: diversifying the sources of steel supply and localizing production can reduce dependency on specific regions or countries, minimizing the impact of geopolitical tensions and disruptions in the supply chain. This includes: • Exploring alternative steel suppliers to enhance supply chain resilience • Increasing the proportion of steel supply from different regions to mitigate supply risks and potential pricing fluctuations from individual suppliers • Embracing the use of electric arc furnaces for manufacturing steel from recycled scrap to promote sustainability and reduce reliance on traditional steel production methods, contributing to a more sustainable supply chain
Resins	• **Expensive high-grade polymers**: certain high-grade polymers are known for their exceptional properties but come at a higher cost. The use of these materials can increase manufacturing costs, impacting profitability and affordability of end products • **Sustainability requirements**: increasing emphasis on sustainability practices poses challenges for resin usage. Compliance with environmental regulations, such as reducing carbon emissions and improving recyclability, may require the adoption of alternative resins or additional investments in sustainable manufacturing processes	**Strategic supplier development**: developing strong relationships with resin suppliers and exploring alternative sourcing options can help manage costs and ensure a stable supply of resins. This includes evaluating potential suppliers based on their reliability, quality, and pricing. • Substituting expensive high-grade polymers with commodity plastics can in some cases help reduce material costs without compromising performance • Collaborating with resin suppliers to develop recycled resin can promote sustainability and reduce reliance on virgin materials
Rare earths	• **Raw material resources concentration**: rare earth metals, which are commonly used for magnet production, are geologically scarce and concentrated in a few regions, posing a risk of supply disruption if there are changes in export policies, production limitations, or trade disputes • **Geopolitical tension**: geopolitical tensions between countries can impact the availability and pricing of rare earth metals and magnets. Trade restrictions, tariffs, or political conflicts can disrupt supply chains and lead to uncertainties in sourcing these critical materials • **High prices for heavy rare metals**: heavy rare earth metals for high-performance magnets are often in limited supply and have higher prices. Fluctuations in the prices of heavy rare metals can significantly impact the overall cost of magnet production and, consequently, the cost of end products • **Higher demand from electrification**: the growing demand for rare earth magnets driven by electrification trends, such as electric vehicles and renewable energy technologies, can strain the supply-demand balance. This increased demand may lead to potential shortages, price volatility, and supply chain uncertainties	• **Value analysis/value engineering ("VAVE")**: conducting VAVE assessments to explore alternate materials and designs can help reduce reliance on rare earth metals. This involves evaluating performance requirements and identifying cost-effective alternatives that offer comparable or improved performance • **Reducing heavy rare earth usage**: developing strategies to reduce the usage of heavy rare earth metals in magnet production can help mitigate supply chain risks and reduce costs. Finding alternative compositions or magnet configurations that require lower amounts of heavy rare earth metals can lead to significant cost savings • **Non-rare earth initiatives**: exploring and investing in the development of alternative magnet technologies which can help reduce reliance on rare earth metals. These technologies offer potential advantages in terms of performance, cost and availability compared to traditional rare earth magnets

Environment

We promise to protect the environment for future generations.

Core SDGs

Supporting SDGs

"2024 marked the start of a bold new chapter in Johnson Electric's climate action journey, as we set new and ambitious near-term science-based targets for our Scope 1, 2 and 3 emissions, officially approved by SBTi. Thanks to rapid progress in renewable energy use, we have already cut our Scope 2 emissions by 81% from the new FY22/23 baseline, eclipsing our near-term target of a 65% reduction. We have also achieved further reductions in energy, waste and water withdrawal intensity due to the dedication and ingenuity of our employees."

Laurent Cardon
SVP, Global Operations

Main topics and key highlights

Energy and climate	• Near-term reduction targets for Scope 1, 2 and 3 carbon emissions have been approved by SBTi, with our Scope 1 and 2 targets recognized as aligned with a 1.5°C trajectory • 81% reduction in Scope 2 carbon emissions from FY22/23 baseline, surpassing our near-term Scope 2 target of a 65% reduction • Increased renewable electricity usage to 83%, up from 53% the previous year. Increased renewable energy usage to 69% from 44% the previous year
Waste	• Achieved zero waste to landfill* across the Group for the third consecutive year • 3% reduction in waste intensity per sales from FY20/21 baseline • 18% reduction in hazardous waste intensity per sales from FY20/21 baseline
Water	• 26% reduction in water withdrawal intensity per sales from FY20/21 baseline • 26% reduction in water consumption intensity per sales from FY20/21 baseline

* "Zero waste to landfill" refers to 99% or more of generated waste being diverted away from landfill.

Our approach

From our earliest days as a small family business in Hong Kong, Johnson Electric has always been mindful of the legacy we leave for future generations. Today, we are deeply committed to protecting the environment for those who come after us, ensuring that our children and grandchildren have a healthy planet on which to thrive.

We aim to fulfil this promise by engineering sustainable products and processes that minimize environmental impact and promote safety and wellbeing. This challenge has been keenly embraced by everyone at Johnson Electric, from senior leaders to engineers and front-line staff.

Our key environmental priorities are reducing carbon emissions, increasing renewable energy use and energy efficiency, cutting waste and pollution, and using natural resources sustainably. We have adopted product carbon footprint and life cycle assessment methodologies to help us quantify and reduce the end-to-end environmental impacts of our products. In addition, we are constantly introducing new resources and energy-efficient technologies to our manufacturing sites around the globe.

Collaboration with our suppliers and customers is also critical to creating long-lasting positive impact. We believe that by working together, we can create a more sustainable future for all.

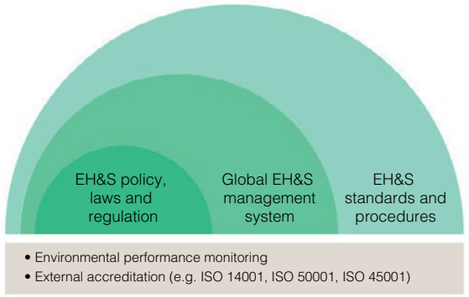
Environment, Health and Safety ("EH&S") policy

Our EH&S policy is a core element underpinning our environmental management efforts. The policy drives overall corporate strategy, and ensures that environmental protection is:

- considered in all decisions we make
- integrated in the design of our new and modified facilities, products and processes
- subject to monitoring and continuous improvement

Our EH&S policy is available for download from our website and on our internal employee portal, in various local languages.

To ensure compliance, we build trust by operating transparently, adhering to our Code of Ethics and Business Conduct, complying with all applicable environmental laws and regulations, ensuring the consultation and participation of our workers, and communicating our environmental performance to our stakeholders while seeking their involvement wherever applicable.



Global EH&S management system

Our global EH&S management system comprises a set of programs, procedures and standards that are common to all our sites. We have put in place the appropriate leadership, resources and organization to ensure excellence in implementation.

The global EH&S management system equips each site and team to monitor, identify and quickly address EH&S issues according to a standard process that allows them to share the lessons learnt across our global footprint. To support this, we have implemented a strong culture of EH&S monitoring, continuous improvement, problem solving and mutual learning.

Environmental compliance

We ensure compliance with our global EH&S management system and standards and with local environmental regulations at all Johnson Electric sites through:

- Monitoring key environmental performance indicators, such as carbon emissions, energy consumption, water withdrawal, wastewater discharge, waste generation and air emissions
- Auditing environmental performance as well as compliance with new and existing regulations. We conduct EH&S compliance audits and develop specific regulatory compliance protocols for assurance purposes. Compliance at individual sites is also verified by annual inspection or certification audits conducted by accredited external auditors
- Including environmental compliance as part of our annual corporate governance review of internal controls and risk management

Environmental performance monitoring

We adopt a bottom-up, project-based approach to set our annual environmental goals. Our operating sites are invited to contribute ideas and suggest projects, which are then reviewed, analyzed and consolidated into a comprehensive set of regional and corporate goals.

Having the right data is essential to making the right operational decisions. We have partnered with Sphera* to implement its Sphera Cloud Corporate Sustainability (SCCS) for our environmental data management.

Climate-linked remuneration

We integrate climate-related considerations into remuneration, with incentives targeting Scope 1 and 2 carbon emissions reduction. Approved by the Remuneration Committee, these schemes align with strategic objectives and are regularly reviewed to meet evolving sustainability standards and business needs.

ISO 14001 and ISO 50001

We have 44 entities certified with the ISO 14001 environmental management system standard, covering 100% of our manufacturing sites, demonstrating our commitment to environmental management and sustainability.

Our local sites strive to achieve optimum energy conservation in their buildings and operations, adopting good practices in energy saving. Each site is encouraged to have an energy conservation taskforce or committee. 10 of our entities, including our largest sites in Shajing and Jiangmen, China, and Niš, Serbia, hold the ISO 50001 certification for energy management systems. These entities represent 53% of the Group's total energy consumption.

We constantly strive to identify and learn from the best energy management practices across all our operating sites, so that successful strategies and techniques can be implemented across our organization.

100% of manufacturing sites hold **ISO 14001**

* Sphera is a leading provider of enterprise sustainability management software, data, and consulting services, focusing on environment, health, safety & sustainability, operational risk management, product stewardship, and supply chain transparency.

Environmental awareness and training

We believe that EH&S awareness, training and knowledge can enhance the personal lives of our employees, their families, our communities and the environment.

We provide EH&S training as part of new employees' induction. We expect our operating sites to manage their EH&S training programs in accordance with national and local regulations in their respective countries, identify the training needs associated with their site-specific EH&S risks, provide training or take action to meet those needs, and evaluate the effectiveness of the training or action taken.

We also communicate our environmental performance to stakeholders and seek their involvement wherever applicable.

1,600+ hours of environmental training in FY24/25

Green plant initiative

Johnson Electric always seeks to adopt clean and environmentally sound technologies and industrial processes. To support this, a Green Plant Checklist has been developed. This offers a structured approach to identifying opportunities to improve environmental performance.

Topics covered by the checklist include renewable energy, energy efficiency and peak demand reduction, water conservation, material conservation and recycling, waste reduction, indoor environmental quality, green processes and production, pollution controls and end-of-pipe treatments, ecology and nature conservation, as well as certifications for environmental and energy management systems.

Biodiversity

We have established a biodiversity policy to demonstrate our commitment to minimize our impact on biodiversity and promote conservation and restoration wherever we operate. Our pollution prevention and waste control measures are designed to eliminate or minimize the risk of damage to ecosystems and include prevention of hazardous waste discharge and wastewater quality monitoring.

Energy and climate

Our approach

Energy and climate is a topic of key concern to Johnson Electric, our customers and other stakeholders. We are fully committed to engineering innovative solutions for a global low-carbon transition.

In shaping our low-carbon strategies and approach, we take into account global initiatives including the United Nations Sustainable Development Goals, the Paris Agreement, the Science Based Targets initiative (SBTi) and the Greenhouse Gas Protocol. Crucially, we also align our approach with our customers' strategies and support them to achieve their own low-carbon goals.

Commitments and targets

In FY23/24, we surpassed our previous target of a 42% reduction in Scope 1 and 2 carbon emissions by 2030 as compared to a FY20/21 baseline, recording a remarkable reduction of over 50%. With the completion of our Scope 3 inventory, we have set new science-based near-term carbon emissions reduction targets. Reduction targets were calculated in accordance with the SBTi absolute contraction approach methodology. Our targets were officially approved by the SBTi in November 2024. We are now committed to achieving the following reductions by FY34/35, from a FY22/23 baseline:

Our SBTi approved targets

By FY34/35
(Baseline: FY22/23)

Scope 1: **-59%**

Scope 2: **-65%**

Scope 3: **-35%**

SBTi has recognized our Scope 1 and 2 targets as aligned with a 1.5°C trajectory.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

BUSINESS AMBITION FOR 1.5°C

Other energy and climate targets include:

- Using 100% renewable energy across all our operations by 2025, as available and feasible for each site
- Reducing the intensity per sales of purchased energy consumption in our operations by 15% by 2030 (compared to baseline year FY19/20)

At this time, we have decided not to commit to the SBTi net-zero target. In the automotive industry, particularly in Category 11 (use of sold products), achieving this target is highly dependent on the renewable electricity policies of various countries, over which we have limited influence. Nonetheless, we are strongly committed to minimize our impact on climate change striving towards carbon neutrality and net-zero, by establishing science-based carbon reduction targets, action plans and transparent reporting to support carbon neutrality and net-zero by 2050 globally (all scopes), including setting FY34/35 near-term carbon reduction targets and aligning with our customers on joint carbon neutrality targets (Scope 1&2).

Environmental disclosure

We publish our annual sustainability report and participate in the CDP. In 2024, we obtained a 'B' score in our climate change and water security assessments.

CDP Discloser 2024

'B' score in both climate change and water security

Participation in China's carbon emissions trading scheme

Our Shajing manufacturing site has participated in China's carbon emissions trading scheme since 2013. This scheme covers both Scope 1 and Scope 2 emissions, accounting for 3% of our total Scope 1 emissions and 26% of our total Scope 2 emissions. The site currently holds surplus carbon credits that can be traded at the Shenzhen Emission Trading Center.

Canada's carbon tax scheme

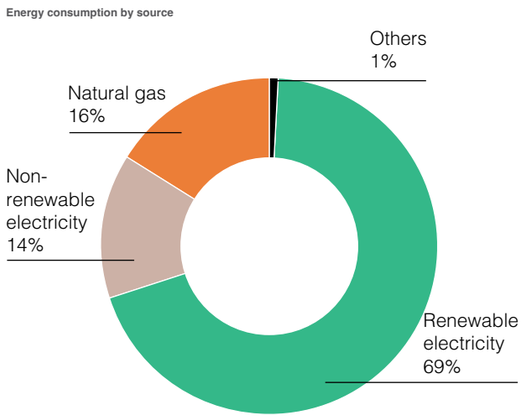
Five manufacturing sites in Canada are subject to the federal carbon pricing system under the Canada Carbon Tax. This system covers Scope 1 emissions, which account for 58% of our total Scope 1 emissions.

Our energy profile

Electricity accounts for 83% of our energy consumption. This is largely used for assembly and parts production and auxiliary production systems such as air conditioning and air compressor systems.

Natural gas accounts for 16% of our overall energy consumption, with our sites in Canada accounting for the majority of our total natural gas consumption. Natural gas is primarily used for certain manufacturing processes such as sintering furnaces for powder metal parts and magnet production, as well as for space heating during the winter in some northerly countries.

Energy consumption by source



Performance in FY24/25

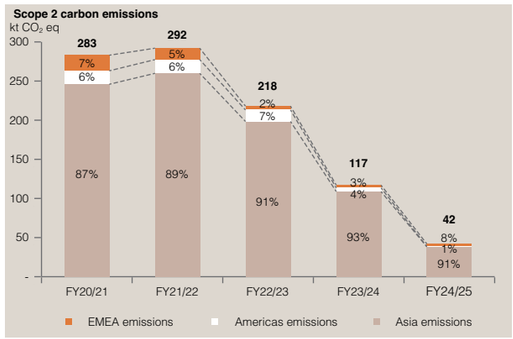
Scope 2 emissions and renewable energy

This year, we achieved an 81% reduction in Scope 2 carbon emissions compared with our FY22/23 science-based target baseline. This means that we have already surpassed our near-term Scope 2 science-based target of a 65% reduction from FY22/23 baseline by FY34/35.

In addition, we are on track to achieve our target of 100% renewable electricity use across all sites by the end of 2025. This would entail a 99% reduction in Scope 2 carbon emissions from baseline in the next fiscal year.

-81% reduction in Scope 2 emissions from FY22/23 baseline

Surpassed FY34/35 target of 65% reduction **10 years early**



This dramatic reduction in Scope 2 emissions was largely due to increased use of renewable electricity across many of our sites. We now use 83% renewable electricity, up from 53% last fiscal year. In terms of renewable energy, we use 69% renewable energy, up from 44% last fiscal year.

Using **83%** renewable electricity globally

We achieved this increase in renewable electricity use by prioritizing sites with higher emission factors, with each region showing solid improvement in the percentage of renewable electricity used.

Percentage of renewable electricity use

	FY23/24	FY24/25
Global	53%	**83%**
Asia	60%	**81%**
Americas	19%	**88%**
EMEA	86%	**88%**

Energy and climate

Solar panels with an annual output of around 4,000MWh have been installed at our largest site in Jiangmen, China, representing 2% of its total electricity consumption, while solar panels at our Murten, Switzerland site have an annual output of around 110MWh, providing 1% of the site's total electricity consumption. Solar panels have also been installed at our Zacatecas, Mexico site. Linked to a power purchased agreement, these solar panels have an annual expected output of around 1,000MWh, representing 8% of the site's electricity consumption.

In FY24/25, we installed further solar panels at our Hong Kong manufacturing site for on-site electric car charging station, while the original panels are connected to Hong Kong's feed-in tariff program.

Our office in Dresden, Germany also has solar panels installed on its rooftop this year, supplying 10% of the site's electricity consumption.

Solar panels at our Dresden site

Scope 1 emissions

In FY24/25, our Scope 1 carbon emissions saw a reduction of 7% compared to the previous year. This was primarily driven by a decrease in natural gas consumption in the Americas and EMEA, and in refrigerant use.

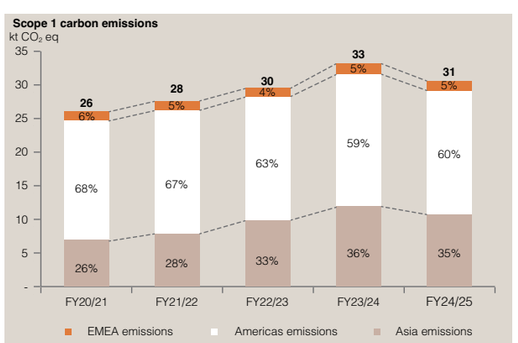
Scope 1 reduction projects in FY24/25 included implementing energy-efficient heating, ventilation and air conditioning ("HVAC") systems, optimizing HVAC usage via building automation systems, replacing LPG forklifts with electric alternatives, and improving natural gas efficiency. Our site in Hirson, France also began to use biomethane to replace natural gas consumption in 2024. Over the long term, we are exploring the feasibility of replacing our existing natural gas furnaces with electric furnaces to reduce our Scope 1 emissions.

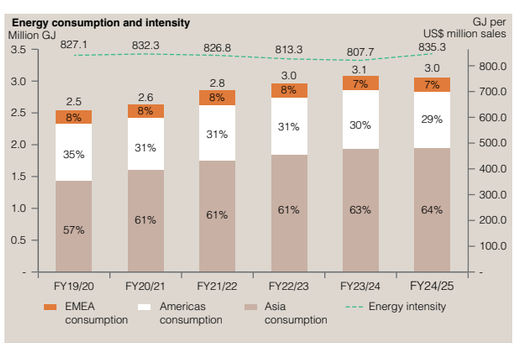
However, when compared to the FY22/23 baseline, our Scope 1 emissions increased by 4%. This overall increase was due to higher usage of natural gas and refrigerants.

Energy intensity

Although our dedicated efforts to implement multiple energy-saving projects resulted in a commendable 1% reduction in absolute energy consumption compared with last fiscal year, our energy intensity in FY24/25 is 1% higher than the FY19/20 baseline.

We have a high degree of vertical integration, making most of our components in-house, including plastic injection parts, stamped and die-cast metal parts, magnets and powder metal parts. On the one hand, not sourcing from external suppliers reduces product carbon footprints, as there is less transportation and more efficient use of capacity. On the other hand, transferring energy intensive "metal-bashing" processes to our own factories significantly increases our total energy consumption. This makes our targets highly challenging to achieve. Nevertheless, we are determined to successfully fulfil our commitments to responsible production and combatting climate change.





Scope 3 emissions

In FY24/25, we successfully quantified our Scope 3 emissions for FY22/23 and FY23/24. We partnered with Sphera* to conduct our Scope 3 GHG emissions inventory for FY22/23. This was used to set a baseline for our near-term science-based Scope 3 reduction target, with FY22/23 serving as the baseline year.

Scope 3 emissions encompass all indirect emissions that occur in a company's value chain, including those from suppliers and product usage, and are divided into 15 distinct categories:

Upstream:

- Category 1: Purchased goods and services
- Category 2: Capital goods
- Category 3: Fuel- and energy-related activities
- Category 4: Upstream transportation and distribution
- Category 5: Waste generated in operations
- Category 6: Business travel
- Category 7: Employee commuting
- Category 8: Upstream leased assets

Downstream:

- Category 9: Downstream transportation and distribution
- Category 10: Processing of sold products
- Category 11: Use of sold products
- Category 12: End-of-life treatment of sold products
- Category 13: Downstream leased assets
- Category 14: Franchises
- Category 15: Investments

Our Scope 3 inventory identified and reported significant levels of emissions in 11 categories. Four categories are not reported, as they are either insignificant or irrelevant to our business:

- Category 8 – Upstream leased assets: not relevant as all leased assets have been accounted for and reported in Scope 1 and/or Scope 2 emissions
- Category 10 – Processing of sold products: not relevant as Johnson Electric sells final products to customers
- Category 14 – Franchises: not relevant as we do not have any franchises
- Category 15 – Investments: insignificant scale and minimal impact

Our Scope 3 GHG emissions inventory has been prepared in accordance with the following standards and guidance:

- ISO 14064-1:2018 – Greenhouse gases Part 1
- Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard
- Greenhouse Gas Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard
- Greenhouse Gas Protocol – Scope 3 Calculation Guidance

Scope 3 emissions inventory (FY22/23)

In the FY22/23 baseline inventory, Scope 3 represents 98% of our total Scope 1, 2, and 3 emissions. Upstream emissions account for 13% of our Scope 3 emissions, while downstream emissions account for 87%. Two categories account for 95% of our Scope 3 emissions: Category 11 – Use of sold products (85%), and Category 1 – Purchased goods and services (10%).

* Sphera is a leading provider of enterprise sustainability management software, data, and consulting services, focusing on the environment, health, safety & sustainability, operational risk management, product stewardship, and supply chain transparency.

Scope 3 emissions in FY22/23

Categories	FY22/23 (t CO_2 eq.)	% of total Scope 3
Upstream emissions	1,565,321	13%
1. Purchased goods and services	1,244,069	10.47%
2. Capital goods	89,576	0.75%
3. Fuel- and energy-related activities	65,338	0.55%
4. Upstream transportation and distribution	114,815	0.97%
5. Waste generated in operations	43,949	0.37%
6. Business travel	4,441	0.04%
7. Employee commuting	3,133	0.03%
Downstream emissions	10,317,413	87%
9. Downstream transportation and distribution	15,496	0.13%
11. Use of sold products	10,085,061	84.87%
12. End-of-life treatment of sold products	216,552	1.82%
13. Downstream leased assets	305	0.00%
Total Scope 3 emissions inventory in FY22/23	11,882,734	

Scope 3 emissions (FY23/24 vs FY22/23) included within boundary target

After completing the Scope 3 inventory for FY22/23 and having our near-term emission reduction target approved by the SBTi, we disclosed our progress towards the targets for the Scope 3 categories included within the target boundary (category 1: purchased goods and services, and category 11: use of sold products).

In FY23/24, our total Scope 3 emissions within the target boundaries (category 1 and 11) amounted to 10,686,188 tonnes, representing a 6% reduction compared to the previous fiscal year. This reduction was attributable to decreases in both category 1 (purchased goods and services) and category 11 (use of sold products).

Category 1 emissions in FY23/24 decreased by 13% compared to the previous fiscal year, due to a 15% reduction in spending on steel and a 7% reduction in spending on magnet wire.

-6% Scope 3 emissions in FY23/24

Category 11 emissions in FY23/24 decreased by 5% compared to the previous fiscal year, due to a shift in sales towards lower energy-consuming products. The powertrain cooling system saw a 12% increase in sales in Europe, where the emissions factor is relatively lower than in the Americas and Asia. Additionally, there was a reduction in sales of higher energy consumption products in white goods.

Categories (within target boundary)	FY22/23 (t CO_2 eq.)	FY23/24 (t CO_2 eq.)	% change
1. Purchased goods and services	1,244,069	**1,077,210**	-13%
11. Use of sold products	10,085,061	**9,608,978**	-5%
Total	11,329,130	**10,686,188**	-6%

Details of categories 1 and 11 are outlined on the next page. For more information on other Scope 3 categories in the baseline not included in the target boundaries, please refer to the Scope 3 inventory report available on our website.

Category 1 – Purchased goods and services

Category 1 encompasses the cradle-to-gate upstream emissions associated with the extraction, production and transportation of goods purchased by Johnson Electric. Emissions related to purchased services were not included in this calculation, as their impact was deemed minimal. The primary goods acquired consist of raw materials, such as steel, aluminum and plastics, with data sourced from our internal supply chain database.

In terms of methodology, we applied emission factors corresponding to the respective raw materials to calculate emissions based on the weight of the materials purchased. For raw materials lacking weight data, we employed a spend-based extrapolation method to estimate emissions. The emission factors utilized were drawn from the Sphera Solutions GaBi database and the US Environmentally Extended Input-Output database (USEEIO).

Our analysis revealed several hotspots within this category in FY23/24: namely, steel accounted for 26% of emissions, followed by plastic at 17%, aluminum/zinc at 8%, wire/metal rod at 4% and magnet wire also at 4%. To effectively reduce our emissions, we will focus efforts on the highest-emitting raw materials and enhance the incorporation of recycled materials into our supply chain.

Category 11 – Use of sold products

Category 11 addresses the direct use-phase emissions of sold products that consume energy, including fuels and/or electricity, over their expected lifetime.

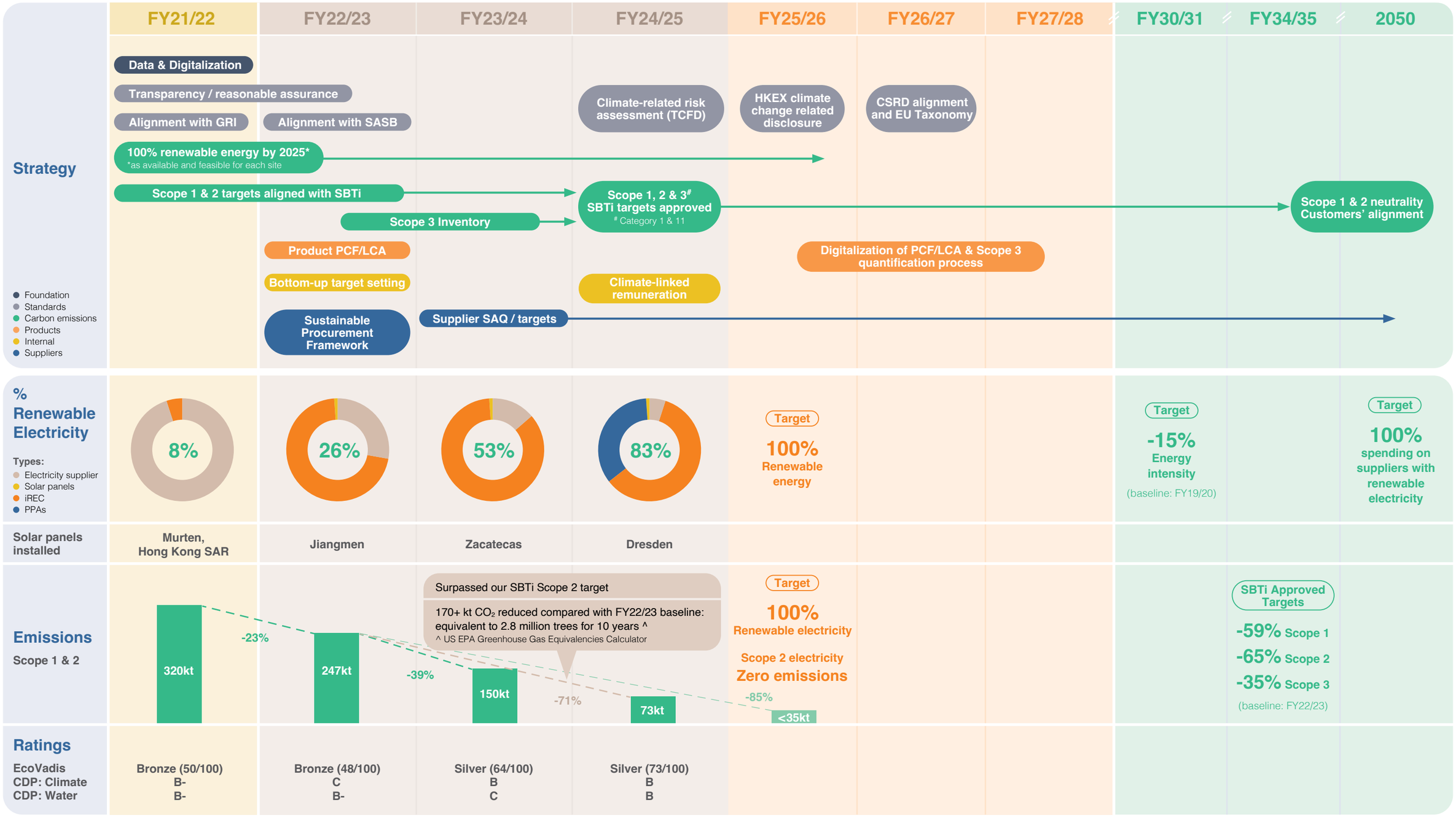
To assess these emissions, we collected primary data on the lifetime energy consumption of our products and the total volume sold in each region, using the maximum expected lifetime in our calculations. For automotive products, we assumed that 10% are installed in electric vehicles, while 90% are in internal combustion vehicles. The emission factors utilized were sourced from Sphera LCA for Experts, the International Energy Agency (IEA), and the Intergovernmental Panel on Climate Change (IPCC). When calculating emissions related to grid electricity in Asia, we applied a weighted average of grid electricity emission factors from the Asian countries where Johnson Electric's customer base resides, based on sales ratios.

Indirect use-phase emissions from sold products were not included in this analysis. According to the GHG Protocol standard, the emissions reported reflect a forward-looking view based on sales occurring in the reporting year, rather than the carbon emissions produced in the reporting year from products sold in previous years. This approach means that an increase in the durability of our products would lead to higher emissions in this category, assuming all else remains constant.

Our analysis identified several hotspots within this category in FY23/24: namely, the powertrain cooling system accounted for 47% of emissions, followed by the powertrain motor drive at 21%, ventilation at 7%, chassis motor drive at 7%, and white goods at 3%. To reduce our emissions, we will focus on enhancing the energy efficiency of our top products, increasing the granularity of data to identify further improvement opportunities, and boosting the percentage of products installed in electric vehicles while capitalizing on the benefits of a greener grid.

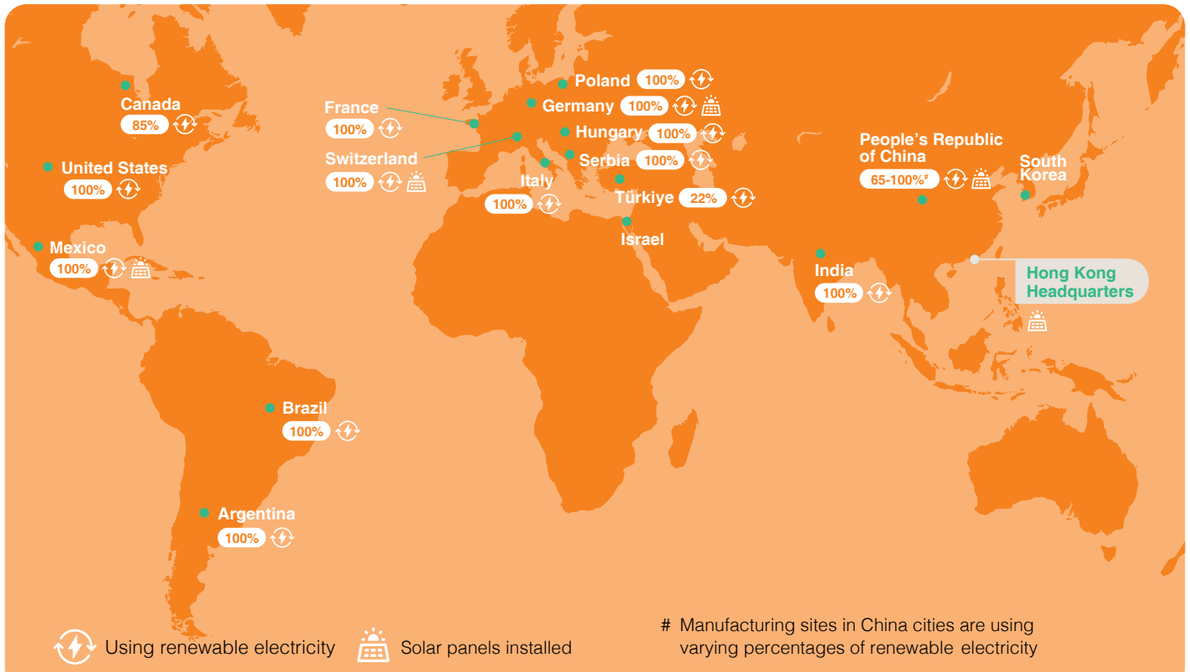
Energy and climate

Johnson Electric's Climate Action / Decarbonization Roadmap



Energy and climate

Renewable electricity usage at our manufacturing sites



Projects in Europe

Switzerland

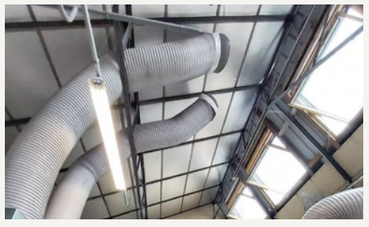
Our Murten manufacturing plant has made its heating system more efficient through equipment upgrades and the implementation of new energy management software. The site's stationary energy consumption has reduced by 15%.

Serbia

Our site in Niš replaced fluorescent lighting with LED lighting in its production areas. The site's energy consumption has reduced by 6%.

France

Our site in Hirson uses heat recovered from its compressor room to warm the facility during the winter, substantially reducing overall energy use. Biomethane has also been used to replace natural gas.



Projects in Asia Pacific

China

Partnering with i2cool*, we have successfully applied iPaint and iFilm to more than 10,000 square metres of surface at our Jiangmen manufacturing plant.

iPaint - passive radiation cooling coating

Harnessing the potency of high reflectivity and superior mid-infrared ("MIR") emission, iPaint aligns with global safety and environmental standards. This non-polluting, user-friendly application is designed to facilitate effective cooling, augment the efficiency of outdoor facilities which with heat-affected efficiency, and promote significant energy savings.

iFilm - passive radiation cooling film

iFilm combines thermal insulation with a remarkable 94% mid-infrared emission rate, ensuring effective cooling around the clock. This innovative feature helps reduce the indoor temperature in all-weather and saves energy for the HVAC system.

Superior solar radiation blocking of double-transparent of the iFilm series effectively blocks a substantial percentage of solar heat meanwhile with higher light transmission, reducing the reliance on air conditioning, lowering energy consumption and costs, and promoting a stable and comfortable indoor environment.

Energy saving

These cooling technologies will allow us to reduce electricity consumption at one of the site's dormitories by 23%.

Simulation of the wall surface with iPaint and iFilm

* i2Cool is a pioneering company in electricity-free cooling technology, offering innovative solutions to enhance energy efficiency and sustainability across various industries.

Projects in the Americas

Canada and the US

We use ultrasonic diagnostic technology to detect air leaks in our Canadian and US manufacturing plants. Advanced sensors identify leaks via high-frequency vibrations, supporting predictive maintenance. This minimizes wasted energy from compressed air systems and ensures environmentally responsible production.

We also replaced propane-fuelled forklifts with electric forklifts.

Mexico

At our facility in Zacatecas, we have implemented solar tubes to enhance indoor illumination. These solar tubes harness natural sunlight, reducing the need for electric lamps during the day. As a result, we can turn off 252 electric lamps.

Progress towards our key targets

	Unit	FY22/23 (baseline)	FY23/24	FY24/25	FY34/35 Target
Scope 1	t CO_2 eq.	29,642	33,211	**30,923 (+4%)#**	12,153 (-59%)#
Scope 2	t CO_2 eq.	217,788	116,602	**42,048 (-81%)#**	76,226 (-65%)#
Scope 3*	t CO_2 eq.	11,329,130	10,686,188 (-6%)#	Assessment in progress	7,363,935 (-35%)#

	Unit	FY21/22 (baseline)	FY22/23	FY23/24	FY24/25	FY25/26 Target
Renewable electricity	%	8%	26%	53%	**83%**	100%
Renewable energy	%	6%	22%	44%	**69%**	100%^

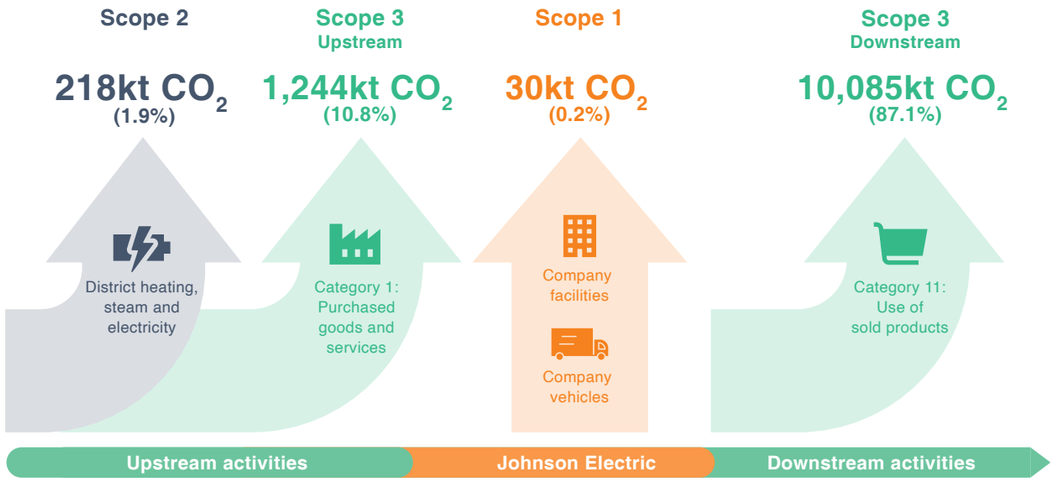
	Unit	FY19/20 (baseline)	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25	FY30/31 Target
Energy intensity	GJ/US$ million of sales	827.1	832.3	826.8	813.3	807.7	**835.3 (+1%)#**	703.0 (-15%)#

* Target coverage: Category 1 (Purchased goods and services) and Category 11 (Use of sold products)

Compared with baseline

^ As available and feasible for each site

Breakdown of carbon emissions in FY22/23 baseline



Waste

Our approach

Reducing waste is an important part of our overall efforts to improve our environmental impact. To reduce waste at source, we seek to limit our material consumption by:

- Designing compact, lightweight products that weigh less while delivering the same power output
- Minimizing waste from production processes
- Minimizing packaging and using returnable packaging where feasible
- Ensuring that our electromechanical components deliver long life and reliability
- Implementing waste reduction projects to reduce our general waste, especially cardboard and polystyrene packaging

Our manufacturing facilities are required to develop and continuously improve site-specific programs to prevent or minimize solid or hazardous waste generation. These include:

- Conducting waste audits to assess the types and quantities of waste generated in our manufacturing processes, helping us identify areas for improvement and prioritize waste reduction efforts
- Implementing pollution prevention measures with a focus on preventing waste generation at source: exploring alternative materials, technologies and processes that can eliminate or reduce the use of hazardous substances, including redesigning products, optimizing production methods or adopting cleaner technologies
- Training and educating employees to foster awareness of proper hazardous material handling, storage and disposal, and encouraging adherence to best practices for minimizing waste generation and ensuring compliance with safety regulations
- Optimizing inventory management by closely monitoring stocks of hazardous materials and chemicals to avoid unnecessary overstocking (thus reducing the risk of waste generation), exploring the implementation of just-in-time inventory practices, and ensuring proper storage to prevent waste through expiration or spoilage
- Implementing recycling and reuse programs in our manufacturing processes, establishing collection systems for recyclable materials and collaborating with specialized vendors to responsibly manage and recycle hazardous waste, with materials such as aluminum, coolant, epoxy powder and plastic from injection sprues and cores being recovered and reused directly in production wherever economically and technically feasible, and otherwise sold for recycling
- Ensuring safe waste storage and preventing cross-contamination by properly segregating and labelling hazardous waste containers and securely storing hazardous materials in designated areas with appropriate safety measures such as spill containment and fire suppression systems
- Conducting regular maintenance and equipment inspections to identify and address any potential environmental contamination issues, including preventing hazardous waste incidents such as leaks and spills
- Collaborating with suppliers and contractors by communicating our waste reduction commitments, encouraging them to adopt environmentally friendly practices and seeking their help in minimizing packaging waste and adopting less hazardous alternatives
- Monitoring progress in waste generation, recycling rates and other improvements via established metrics and tracking systems, as well as regularly evaluating our waste reduction initiatives to celebrate achievements and identify areas for further improvement

Commitments and targets

We have adopted a waste data management system that classifies waste as hazardous, non-hazardous, recycled and non-recycled, in alignment with Global Reporting Initiative standards. All hazardous waste has to be collected and treated by licensed vendors in compliance with regulatory requirements. This includes oily wastewater, sewage treatment sludge and liquid waste containing copper or nickel solution.

Our targets include:

- Maintaining zero waste to landfill* across the Group and improving practices at sites which have not yet achieved zero waste to landfill
- Reducing total waste intensity per sales generated by 10% by FY25/26 (from a FY20/21 baseline)
- Reducing hazardous waste intensity per sales generated by 20% by FY25/26 (from a FY20/21 baseline)
- Zero significant# instances of waste-related non-compliance with laws and regulations

Performance in FY24/25

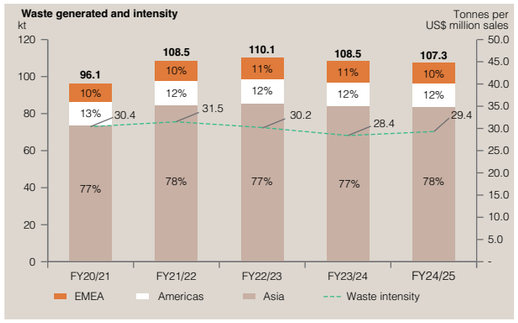
During the reporting period:

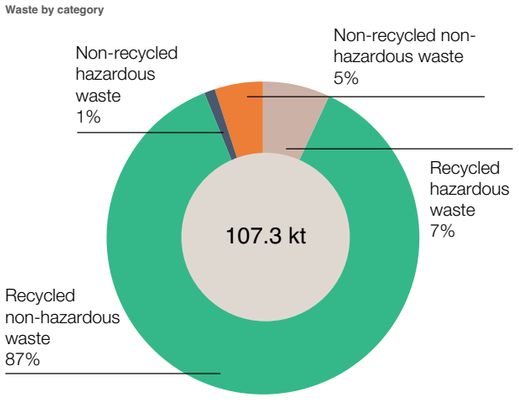
- We sent zero waste to landfill* across the Group for the third consecutive year
- Waste intensity per sales dropped 3% compared to FY20/21 baseline

-3% waste intensity vs FY20/21 baseline

-18% hazardous waste intensity vs FY20/21 baseline

- Total waste dropped by 1% compared with last year, mostly driven by reductions in hazardous waste
- Hazardous waste accounted for only 8% of total waste generated and fell by 2% in absolute terms compared with last year
- Hazardous waste intensity per sales reduced by 18% compared with FY20/21 baseline
- 94% of our waste was recycled. The majority of this was material recovered from production, including steel, copper, process plastic and packaging plastic
- There were no significant# instances of waste-related non-compliance with laws and regulations





* "Zero waste to landfill" refers to 99% or more of generated waste being diverted away from landfill.
\# Refers to fines over USD100,000.

Waste projects

Waste reduction projects in FY24/25 included:

Ochang, South Korea

Instead of sending metal powder to landfill, the site partnered with a specialist recycler in ferroalloy manufacturing waste to recycle it, reducing 9 tonnes of landfill waste during the year.

Metal powder being sent to a recycler

Shajing, China

Intelligent weight management systems have been installed to enable the digitalization of hazardous waste management, including measurement, label printing and increased traceability.

Newly installed hazardous waste management system equipment.

Arujá, Brazil

The site collaborated with a waste handling vendor to sort and recycle waste, with any non-recyclable material then being sent for incineration with energy recovery instead of directly to landfill.

Colleagues visiting the waste recycling centre where our waste is sorted and recycled before being sent for incineration.

Hatvan, Hungary

We replaced paper towels with textile towels in all washrooms. Used towels are washed and reused, while damaged ones are repurposed as cleaning rags.

Textile towels available in washrooms in our Hungary site

Niš, Serbia

By cutting and shredding waste plastic foil from the thermoforming machine, we are now able to reuse this plastic granulate in production. This process eliminated this waste type entirely at the site and recycled 12 tonnes of waste.

New machine installed to shred waste plastic foil for reuse in the production process

Izmir, Türkiye

The site implemented an oily wastewater separation project using a halogen emulsion method, recycling 90% of the site's oily wastewater.

Water

Our approach

Our operations do not consume significant quantities of water. Moreover, none of our major operations are located in countries with medium or high water stress*.

The majority (88%) of our water withdrawal was for domestic use in our dormitories and for hygiene facilities in our manufacturing plants and offices. Only 12% of our water withdrawal was utilized for manufacturing processes.

Nevertheless, we take a responsible approach to water stewardship, seeking to maximize efficiency and minimize effluent. Employees are encouraged to conserve water, and we constantly seek to improve water stewardship in our existing facilities while ensuring it is built-in when we construct new facilities.

Our manufacturing facilities are required to develop and continuously improve site-specific programs to reduce water withdrawal and ensure water-related compliance. These include:

- Conducting water audits: assessing water usage patterns to identify areas of high consumption and prioritize water reduction efforts
- Implementing water-efficient technologies: exploring and investing in water-efficient technologies, including installing equipment and optimizing processes to minimize water usage without compromising productivity
- Optimizing water management systems: implementing smart water management systems that monitor usage, detect leaks and enable efficient control of water flow, including automated controls and sensors that optimize water consumption by adjusting usage based on demand and detecting abnormalities in real-time
- Promoting water conservation awareness: educating and engaging employees in water conservation practices, encouraging prompt leak reporting and responsible water use, and raising organization-wide awareness about the importance of water conservation
- Recycling and reusing water: reducing fresh water need and minimizing overall water consumption by implementing systems for water recycling and reuse wherever feasible, including treating and reusing wastewater from production processes for non-potable purposes like irrigation, cleaning or cooling
- Ensuring regulatory compliance: keeping informed and compliant with local water regulations and permits, including industry and region-specific regulations and standards

* According to information published in 2019 by the United Nations regarding the global status of SDG indicator 6.4.2 (level of water stress).

Commitments and targets

Our water targets are:

- Reducing water withdrawal intensity per sales generated by 30% by FY25/26, from a FY20/21 baseline
- Reducing water consumption intensity per sales by 30% by FY25/26, from a FY20/21 baseline
- Zero significant instances of water-related non-compliance with laws and regulations#

Performance in FY24/25

During the reporting period:

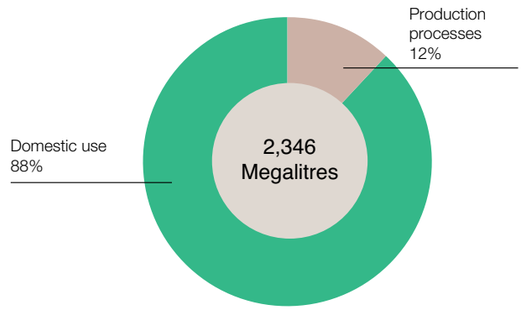
- Absolute water withdrawal reduced by 11% compared with last fiscal year. This was attributable to various water reuse and recycling projects at our sites across the globe (see next page for examples)
- Water withdrawal intensity per sales dropped 26% compared with FY20/21 baseline

-26% water withdrawal intensity vs FY20/21 baseline

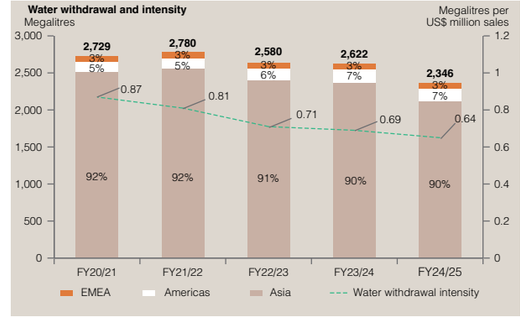
-26% water consumption intensity vs FY20/21 baseline

- 98% of our water withdrawal was in countries with no or low water stress*
- Water consumption intensity per sales reduced by 26% compared with FY20/21 baseline
- There were no significant instances# of water-related non-compliance with laws and regulations

Water withdrawal, by utilization method



Water withdrawal and intensity



Refers to fines over USD100,000.

* According to information published in 2019 by the United Nations regarding the global status of SDG indicator 6.4.2 (level of water stress).

Water

Water projects

Shajing, China

Since 2023, a cross-functional team has achieved a 48% reduction in water usage in shaft production through a range of initiatives, while at the same time increasing production. This has resulted in daily savings of 95m³ of water.

Over the past decade, we have increased production on this single production line by 60% while decreasing water usage by 63%. We are now saving 175m³ of water daily compared to FY20/21 baseline, which is equivalent to 14 Olympic-sized swimming pools each year*.

This multi-faceted water conservation project includes manufacturing process improvements, enhanced monitoring and engineering controls, and the recycling and reuse of wastewater. By adhering to stringent quality standards in wastewater treatment, we have been able to reintegrate wastewater into our manufacturing processes.

In addition, the site switched from nickel plating to stainless steel for the motion system manufacturing process, reducing water usage by 32m³ and waste by 20 tonnes daily. This initiative minimizes the use of hazardous chemicals while at the same time reducing water withdrawal.

Shanghai, China

Our Shanghai site implemented several water-saving initiatives, saving 58m³ of water daily. This represents 18% of its total water withdrawal. Initiatives included:

- Reusing nickel-containing wastewater after advanced wastewater treatment
- Reusing concentrated water from the pure water preparation system
- Reusing water from copper plating in the copper cleaning process

Wastewater monitoring devices in Shanghai, China

Changzhou, China and Będzin, Poland

Wastewater treatment facilities have been installed in our Changzhou, China and Będzin, Poland manufacturing plants. Wastewater is treated through evaporation or purification before being reused in product washing processes.

Wastewater treatment machine in Changzhou, China

Mississauga, Canada

The site purchased a coolant recycling machine centre for washer cleaning coolant recycling. The machines recycled 17m³ of wastewater each month, representing 2% of the site's total water withdrawal.

* Assuming 200 production days per year and a standard Olympic-size swimming pool that holds 2,500 m³ of water.

Emissions

Our approach

We always seek to prevent pollution arising from our operations. Environmental risks are assessed before building new facilities, expanding sites or changing processes. Where emissions generation does occur, appropriate treatment facilities are installed to mitigate possible pollution risks. Our manufacturing facilities are required to develop and continuously improve site-specific programs to reduce airborne emissions and meet related compliance requirements. These include:

- Implementing pollution control technologies: installing and maintaining pollution control technologies such as scrubbers, filters and catalysts to capture and treat emissions, thus removing or neutralizing pollutants before they are released into the atmosphere
- Optimizing combustion processes: improving combustion efficiency by implementing measures such as burner upgrades, optimized fuel-air ratios and proper maintenance of heating equipment
- Implementing emission monitoring and reporting: installing emission monitoring systems to track air pollutant levels, ensure compliance with regulatory requirements and identify areas for improvement, including mandatory monthly emissions reporting and third-party auditing
- Conducting maintenance and inspection: regularly inspecting and maintaining equipment, machinery and emission control systems to ensure optimal performance and address any leaks, malfunctions or inefficiencies, with a view to preventing excessive emissions and maintaining emission standards compliance
- Ensuring regulatory compliance: keeping informed of environmental regulations and standards related to air emissions and complying with all relevant emission limits, reporting requirements and industry or region-specific regulations

Commitments and targets

Our emissions targets include:

- Classifying and monitoring emissions at all manufacturing sites
- Zero significant instances* of air emissions related non-compliance with laws and regulations

Performance in FY24/25

During the reporting period:

- Air emissions levels at all operating sites were maintained below the permitted emissions levels
- Our non-carbon dioxide emissions are mainly volatile organic compounds ("VOCs") from glues used in product assembly and solvents used for parts cleaning, injection moulding and ink printing, which amounted to 46 tonnes in FY24/25. Despite our VOC emissions being below the permitted levels, we have taken steps to reduce VOC emissions by eliminating their use in some processes, substituting inks and cleaning solutions with alternatives that have lower VOC levels, and utilizing exhaust gas emission control systems
- We generated 4 tonnes of nitrogen oxides, specifically from the rotary kiln and die-casting furnace in our manufacturing plant in Jiangmen, China
- We generated 0.8 tonnes of particulate matter emissions from various powder processes. We have previously implemented process improvements to capture and reuse epoxy particulate matter, as well as a method to capture and reuse copper powder from our copper bushing process
- There were no significant instances* of air emissions related non-compliance with laws and regulations

* Refers to fines over USD100,000.

Employees

We inspire our employees to grow and find fulfilment and meaning in the work they do.

Core SDGs

Supporting SDGs

"In the past year, we've placed special emphasis on safety, talent management, digitalization and inclusion. Accident rates have significantly reduced as we have increased our focus on risk detection and avoidance. We also extended and enhanced succession planning for key roles at Johnson Electric and built a stronger talent pipeline. Many more employees have been trained in the use of new business tools and systems, including artificial intelligence and machine learning. I am proud of Johnson Electric's global HR team and senior management for supporting these efforts and investing in our people, ensuring that all of us are ready to be successful in an ever-changing business environment."

Christian Moeller

SVP and Chief Human Resources Officer

Main topics and key highlights

Health and safety	• 92% of sites (by number of hours worked) hold ISO 45001 certifications • 28% reduction in lost-time accidents from last year • Lost-time accident rate and recordable injury rate remained very low compared to industry averages* • An excellent 23% increase in near-misses communicated from last year • An excellent 55% increase in hazards communicated from last year • Wellbeing: more than 22,500 employees participated in our blood pressure monitoring program
Talent attraction and retention	• 40% increase in key roles covered by succession reviews • More than 75% of senior management roles placed internally • Recognized as one of the "HR Asia Best Companies to Work for in Asia 2024" by *HR Asia*
Training and development	• 97% employees received training
Diversity, equity and inclusion	• 4% increase in the promotion rate of female employees
Communication	• More than 210 projects honoured in the monthly "JEwel awards" employee recognition program • More than 600 actions have been completed to address feedback from the MARBLE employee survey and improve engagement
Labour rights	• Zero cases of child labour and forced labour, secured through several measures

* Source: U.S. Bureau of Labour Statistics, incidence rates of nonfatal occupational injuries and illnesses by industry and case types for motor and generator manufacturing (NAICS code 335312). Our performance is compared to the 2023 industry averages, the most up-to-date information available at the time of producing this report.

Employees

Our approach

People are the foundation of our success. It is the talent, diversity and hard work of our employees that drives Johnson Electric's sustainable innovation and business results.

Our people strategy seeks to attract and develop the right people, put them in the right jobs and provide them with the right environment to excel at what they do best – all with the vision of becoming "One Johnson around the world, a great company and a great place to work! "

In a fast-changing industry landscape, we make sure our employees always have the latest tools and skills they need to adapt and deliver excellent performance. Our talent management processes offer a wealth of training and career development opportunities that allow employees to grow and flourish, and we are very proud that so many employees have chosen to stay loyal to Johnson Electric for decades.

As a global firm, collaboration across borders is an integral part of our day-to-day work. Our global team is bound together by our shared "MARBLE" values. These have long served as the foundation of the "One Johnson" culture, creating a common identity for employees to operate as a global team, both in times of growth and times of adversity.

At the same time, we are focusing more than ever on the value that can be unlocked by becoming more inclusive, drawing on more diverse backgrounds and experiences, and pushing for more equitable access to career success in our industry.

Above all, we work to protect the health, safety and wellbeing of every employee by implementing a strong safety prevention culture and abiding by strict health and safety standards in every one of our locations.

We are a truly global team bound together by our shared values. We recognize that the talent and diversity of our people drive business results.

We thrive on innovation and excel in execution. We are committed to making our customers successful and our world a better place.

We believe that hiring the right people and putting them in the right jobs maximizes the success of our people and the business.

Health and safety

Our approach

At Johnson Electric, we have built a strong safety culture by drawing on our common values of caring, ownership, collaboration and accountability. It is our belief that excellent EH&S prevention culture, processes and performance will significantly contribute to the sustainable growth of our company for generations to come.

Safety starts with a personal decision: a decision to take care of ourselves and our team members. Everyone is responsible and accountable for the health, safety and wellbeing of the people working for them, and for considering safety in all aspects of their work. We expect every employee at every level to contribute to maintaining a safe and healthy work environment.

We also believe that through EH&S awareness, training, and knowledge, we can enhance the personal lives of our employees, their families, our communities, and the environment.

There is, and there will be, no compromise of safety in anything we do.

We take practical steps to maintain a healthy and safe workplace wherever we operate, with a focus on preventing and avoiding accidents and identifying risks to health and safety. We are responsible for reducing risk by providing appropriate safety measures and solutions. These include:

- Complying with applicable health and safety laws and regulations
- Designing products and processes that are safe for employees
- Continuously improving our global EH&S management system to set and maintain rigorous standards for managing workplace health and safety risks
- Improving our occupational safety management by defining appropriate objectives and targets on a regular basis
- Promoting a positive safety culture in our workforce through regular communication and the establishment of a joint management-worker safety committee at every operating location
- Committing appropriate resources and leadership to our global EH&S management system
- Communicating our health and safety performance to stakeholders and seeking their involvement wherever applicable
- Implementing a global health and safety incident reporting mechanism to ensure every accident is well communicated and investigated, with the lessons learnt shared. Any accident will be immediately reported to the management team and mitigation measures will follow

Health and safety governance

We demonstrate responsibility and accountability at all levels. Led by the Chairman and Chief Executive Officer, the Executive Committee has the ultimate responsibility for the Group's health and safety management and operations.

Operations leaders and the global EH&S team monitor and manage the health and safety performance of individual operating sites. Health and safety performance is also monitored monthly as part of the global operations review.

Health and safety

EH&S policy

Our EH&S policy reflects our purpose of improving the quality of life of everyone we touch. It aligns closely with our Business Framework, specifically its purpose and promises. It stipulates a clear focus on safety responsibility and ownership at all levels, and covers all activities carried out by our employees and contractors.

Under the policy, senior leaders and managers are responsible and accountable for providing a safe workplace, assessing risk, following and implementing safety standards and safe work procedures, ensuring that their team is properly trained, knows how to work safely and has the right conditions for doing so, and participating in risk assessments and monitoring health and safety performance and improvement.

Individual employees are responsible for adopting appropriate behaviours to ensure their safety and the safety of others, following safety procedures, assessing risks, identifying and communicating hazards and needed improvements, and acting in accordance with the policy.

Our EH&S policy also incorporates our safety prevention culture principles, which include:

- Ownership
- Identification
- Communication
- Problem solving
- A “look-across” approach to safety alerts

Our EH&S policy is available in local languages in all sites, via the company internal communication portal and on our company website.

EH&S management system

Our EH&S management system comprises a set of common programs, procedures and standards that apply to all our sites. The system covers both employees and contractors, in accordance with the requirements of:

- ISO 14001: 2015 Environmental Management Systems
- ISO 45001: 2018 Occupational Health and Safety Management Systems
- ISO 50001: 2018 Energy Management Systems
- Various corporate social responsibility standards to which we subscribe

It provides us with processes to identify and evaluate hazards and risks associated with our product development and manufacturing processes.

Furthermore, it establishes goals and objectives to address any significant hazards, risks and impacts, taking into account the feedback and concerns of employees, contractors, communities, customers, suppliers and other stakeholders. Ultimately, it ensures that we always treat our commitment to the environment and employee health and safety as an overriding priority.

We share the World Health Organization’s belief that a healthy workplace is one in which workers and managers collaboratively engage in a continual improvement process to protect and promote the health, safety and wellbeing of all workers and the sustainability of the workplace. As such, our global EH&S management system is complemented by the actions and responsibilities taken by each site and each team.

All sites implement the EH&S policy and EH&S management system via their respective local EH&S management systems. Managers and teams at local sites monitor, identify and quickly address their respective EH&S issues, using a standard process to both share lessons learnt and learn from other global sites.

Our manufacturing footprint includes sites in countries with different requirements for worker health and safety. Our EH&S management system addresses this by setting global standards for managing occupational health and safety issues. It provides guidelines and standards for all our operating sites to follow and helps us towards our goal of zero accidents by providing a safe and secure working environment. Every Johnson Electric factory is required to apply this EH&S management system and comply with both our global safety standards and local regulations.

Our EH&S management system consists of 22 core elements, which are set out in detailed standards:

- Incident notification, investigation, and reporting
- Personal protective equipment
- Electrical safety
- Machine safety
- Manual handling
- Elevated work/working at height
- Safety committee and safety inspections
- Vehicle safety
- Chemical management
- Hot work
- Lifting operations
- Industrial hygiene
- Occupational health
- EH&S training and communication
- Access authorization and control
- Contractor management
- Hazard and risk assessment
- Emergency preparedness and response
- Environmental and energy management standard
- Lock-out/tag-out
- Documentation and record keeping
- Audit and assurance

All our sites implement the EH&S policy and EH&S management system via their respective local EH&S management systems.

* Refers to fines over USD100,000.

ISO 45001 certification

We now have a total of 37 entities certified with ISO 45001, representing 79% of our manufacturing sites and covering 92% of employee hours worked.

92% of sites by hours worked certified with **ISO 45001**

Health and safety compliance

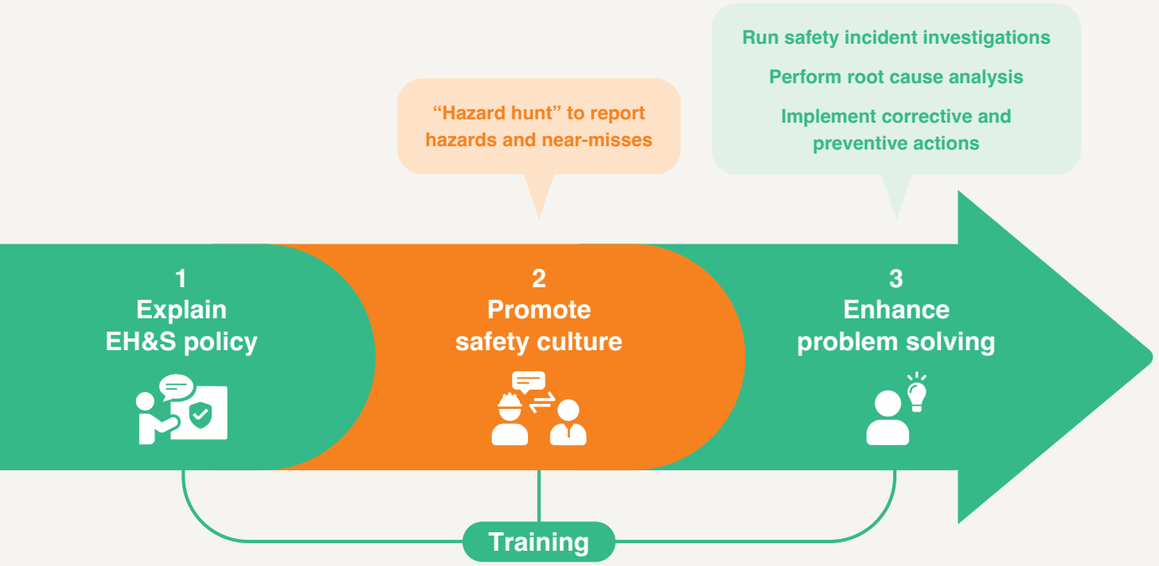
In FY24/25, there were no significant instances* of non-compliance with health and safety laws and regulations.

We ensure compliance with our global EH&S management system and standards as well as local health and safety regulations at all Johnson Electric sites through:

- Auditing health and safety performance as well as compliance with new and existing regulations. We conduct EH&S compliance audits and develop specific regulatory compliance protocols for assurance purposes. Compliance at individual sites is also verified by third-party annual surveillance or certification audits conducted by accredited external auditors
- Tracking changes in health and safety regulations
- Including health and safety compliance requirements in our Code of Ethics and Business Conduct
- Conducting an annual assurance process, with managers holding responsibility for EH&S compliance at each Johnson Electric site and formally acknowledging and certifying their full compliance with our EH&S management system and relevant health and safety laws and regulations

Health and safety

Our EH&S Culture Program



EH&S culture program

In FY20/21, we established a three-step health and safety culture program to encourage all employees to understand, adopt and implement our safety policies and prevention culture.

The first step outlines and explains our EH&S policy, including how it links to our Business Framework's purpose and promises.

The second step covers our health and safety culture and prevention principles. This includes creating a positive and trusting workplace environment where all people may feel comfortable and empowered to speak about safety concerns and identify and communicate safety alerts (that is, reporting hazards and near-misses as per our safety pyramid concept, which is detailed below).

The third step focuses on problem solving: strengthening employees' ability to run safety incident investigations, perform root cause analysis, and implement corrective and preventive actions.

Training to support this culture program is delivered through Johnson Electric's online training platform.

In-person training sessions are offered to those without computer access. It is also included in orientation training for all new employees.

Our safety pyramid

Our safety prevention culture program uses the "safety pyramid" concept to monitor our safety performance.

The safety pyramid concept is based on the notion that identifying and communicating more "hazard" and "near-miss" safety alerts at the bottom of the pyramid will help us to prevent more serious incidents (fatality, lost-time accident, recordable injury and first aid) at the upper levels of the pyramid.

This approach reinforces the importance of each employee's contribution to identifying, investigating and mitigating health and safety issues. In addition, the more employees engage in our safety prevention culture, the better placed we are to spot potential hazards and suggest improvements.

Commitments and targets

Our safety performance commitments and targets align with our safety culture's emphasis on ensuring all employees take ownership in identifying, communicating and resolving safety alerts such as near-misses and hazards, as well as learning by "looking across" to other locations.

This proactive approach will ultimately lead to a reduction in lost-time accidents ("LTAs") and recordable injuries ("RECs") at the upper levels of the safety pyramid. As such, we have shifted the focus of our performance improvement targets from the lagging indicator of recordable injuries to the leading indicator of an increase in safety alerts.

	FY21/22	FY22/23	FY23/24	FY24/25	FY24/25 vs FY23/24	FY24/25 vs FY21/22
Fatalities	0	0	0	0	–	–
Lost-time accidents	89	93	105	76	-28%	-15%
Recordable injuries	184*	171*	190*	155	-18%	-16%
First aids	356	419	383	495	+29%^	+39%^
Near-misses	387	782	1,096	1,348	+23%^	+248%^
Hazards	4,131	7,227	10,295	15,945	+55%^	+286%^

* We now include lost-time accidents in our total count of recordable injuries. Previously, recordable injuries were counted separately to lost-time accidents.

^ Increasing the number of communications of first aids, near-misses and hazards safety alerts benefits our safety culture by enabling us to proactively resolve hazards before a tragic or costly incident occurs, as well as by increasing employee ownership of safety prevention.

More communication of safety alerts helps to enhance safety culture and prevent tragic accidents.

In line with our safety culture, our health and safety targets include:

- Zero fatalities
- Zero lost-time accidents (continuously improve and reduce year-on-year in the number of LTAs in pursuit of our ultimate target of zero LTAs)
- Recordable injuries: continuously improve and reduce year-on-year number
- First-aid injuries: continuously improve and reduce year-on-year number
- Near-miss and hazard safety alerts: increase the number of near-misses and hazards communicated
- Safety pyramid: monitor the year-on-year improvement of each level of the safety pyramid, as well as the pyramid as a whole, to indicate the health and safety culture at each site, with the goal of maintaining its pyramid shape
- Incident investigation: focus on strong and effective incident problem-solving and "look-across" learning between all sites, to identify root causes and prevent recurrences

Performance in FY24/25

In FY24/25, there were:

- Zero fatalities
- 76 lost-time accidents, a reduction of 28% compared with the previous year. Our annual lost-time accident rate per 200,000 hours worked, according to the US Occupational Safety and Health Administration ("OSHA") definition, was 25% lower than the previous fiscal year

-28% number of lost-time accidents from last year

- 155 recordable injuries, a reduction of 18% compared with the previous fiscal year. Our recordable injury rate per 200,000 hours worked was 15% lower than the previous fiscal year

-18% number of recordable injuries from last year

- 1,348 near-misses communicated, a 23% increase compared with the previous fiscal year and a 248% increase compared to the FY21/22 baseline
- 15,945 hazards communicated, a 55% increase compared with the previous year and a 286% increase compared to the FY21/22 baseline

Significant advances in safety prevention culture from last year:

+23% near-misses communicated

+55% hazards communicated

In terms of the root causes of lost-time accidents, 28% were attributed to equipment design issues, while 23% were related to slips, trips, and falls. Adjustments made by operations personnel accounted for 27% of incidents. Actions developed in response include:

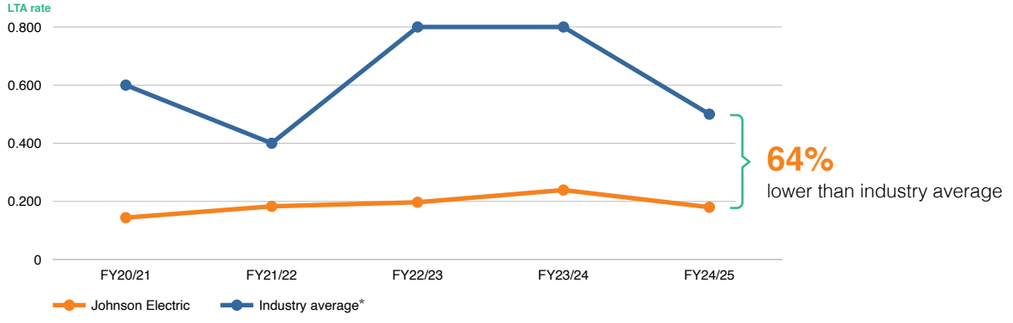
- Enhancing employees' health and safety skills and training
- Risk assessment prior to starting maintenance operations
- Strengthening our safety checklist for the design and sign-off approval for new or modified equipment before machine use, and establishing a list of requirements for suppliers
- Sharing the lessons learnt from our "incident cycle of learning"

Although one accident is always too many, both our lost-time accident rate and recordable injury rate remain very low compared to the industry average[#]. Our lost-time accident rate in FY24/25 was 64% lower than the industry average and our recordable injury rate was 77% lower than the industry average.

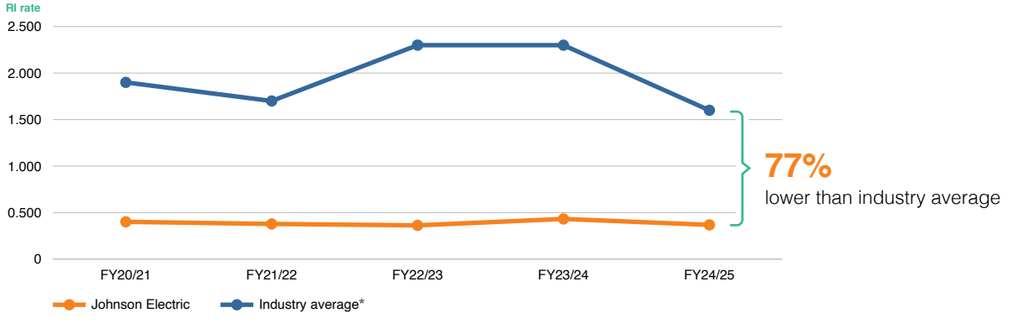
The more that safety alerts are identified and communicated by all employees, the better our safety culture and the more prevention opportunities we have.

With over 17,000 hazards and near-misses identified and communicated by our workforce, we are increasingly confident that we have a workplace environment where each employee feels comfortable and empowered to speak up about safety.

Lost-time accident rate^



Recordable injury rate^



[#] Source: U.S. Bureau of Labor Statistics, incidence rates of nonfatal occupational injuries and illnesses by industry and case types for motor and generator manufacturing (NAICS code 335312). Our performance is compared to the 2023 industry averages, the most up-to-date information available at the time of producing this report.

^ Per 200,000 worked hours

* We have used the previous year's industry average as a benchmark pending the publication of this year's statistics, at which point we will update the comparative figures.

Health and safety

Case study

Safety and Wellbeing Month 2024

Since 2015, we have organized an annual Safety Month to promote safety awareness among employees, establish a safety culture in the workplace, demonstrate management commitment to safety, and celebrate exemplary safety performance.

In 2023, we renamed our traditional "Safety Month" to "Safety and Wellbeing Month" to highlight the importance of health and wellbeing. We believe that taking a holistic approach to wellbeing contributes to happier and more resilient individuals and organizations. By making wellbeing a priority, we invest in our collective happiness and thus fuel our future success. Capitalizing on this campaign, we launched the Healthy@JE wellbeing program. This initiative aims to boost our employees' overall health and wellbeing by addressing the physical, mental, social, environmental and occupational facets of wellbeing. It is designed to foster a wellbeing culture that supports employees' wider sense of health, happiness and fulfilment, inspiring and facilitating them to make positive changes in their lives.

During Safety and Wellbeing Month 2024, we organized over 70 activities across our sites. Notable global safety initiatives included a "hazard hunt" campaign targeting slips, trips and falls, the distribution of safety stickers emphasizing individual responsibility, and the implementation of SOS (Supervisor Observe Safety) tools, with over 340 leaders from 32 sites participating. At the site level, we saw outstanding safety initiatives in which participants actively identified risk situations and unsafe behaviours, conducted training sessions using virtual reality (VR) headsets on critical topics such as lock-out / tag-out, forklift safety, first aid, and fire safety, introduced exoskeleton devices, and held a Best Hazards Proposal competition.

To promote employee wellbeing, we organized bioimpedance assessments and medical checks, distributed ice cream to combat heat stress, engaged in volunteering efforts through food donation drives and clean-up events, and encouraged physical fitness with running and cycling challenges.

Türkiye Distribution of safety stickers emphasizing individual responsibility for safety

Brazil Actively identifying risk situations and unsafe behaviours

Poland First-aid training

Shanghai Recognition ceremony celebrating individual safety leadership

Serbia On-site health check-up for employees

South Korea Distributing ice cream to combat heat stress

Our wellbeing program "Healthy@JE"

Johnson Electric's wellbeing program, known as "Healthy@JE", aims to promote the overall health and wellbeing of employees by addressing physical, mental, social, environmental and occupational components of wellbeing.

The purpose of the program is to create a culture of wellbeing that contributes to employees' health, happiness and fulfilment while encouraging positive changes in their lives. The objectives include improving physical and mental health, increasing engagement and satisfaction, reducing absenteeism and presenteeism, enhancing productivity and performance, fostering a positive work environment, and enhancing the company's reputation as an employer of choice.

The program consists of several components, including physical wellness, mental wellness, social wellness, environmental wellness and occupational wellness. These components are interrelated and can impact each other, emphasizing the importance of addressing all aspects of wellbeing for overall health and satisfaction.

A global wellbeing committee has been established to implement the program, with each site also encouraged to form a site-specific wellbeing committee.

Partnerships with local wellbeing and health organizations are sought, and a needs assessment is conducted to determine employees' needs and interests. The program's goals, objectives and components are communicated to all employees, and specific initiatives are developed based on the needs assessment and program goals.

Resources allocated to support the program include time and budget for development and implementation, access to expertise and resources, education and training for employees and program leaders, appropriate technology and tools, communication and branding materials, and an internal SharePoint for program information.

Blood pressure monitoring program

As part of our global health and wellbeing strategy, we have implemented a comprehensive blood pressure monitoring program across all sites. Hypertension, a leading cause of cardiovascular diseases, can lead to serious health issues if untreated, such as headaches, blurred vision, chest pain, kidney disease, heart disease and strokes.

In FY24/25, more than 22,500 employees participated in the blood pressure monitoring program.

In Shajing and Jiangmen, China, the program involves regular blood pressure monitoring for all employees. Those identified with hypertension are referred to our on-site community clinic for retesting and medical advice.

22,500+ employees participated in our blood pressure monitoring program

The on-site medical team maintains a tracking list, conducts hypertension risk surveys, and takes follow-up action for employees with hypertension. Additionally, health knowledge training sessions and posters are used to enhance health awareness among employees.

For employees with stage 3 hypertension (a blood pressure reading of 180/120 mmHg or higher), job assessments are conducted and employees are provided with free periodic health examinations. Site canteens support this initiative by offering healthier food options and healthy diet tips.

Following the successful implementation of this program, the percentage of employees with high blood pressure dropped 15% in four months.

Blood pressure monitoring in the community clinic in Shajing, China.

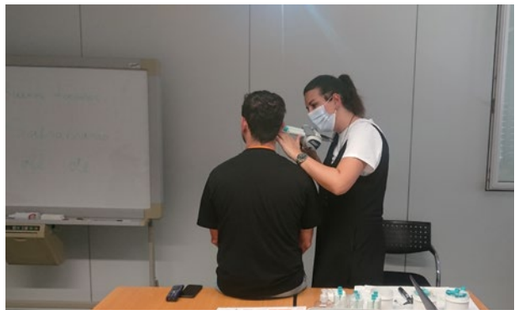
Personal protective equipment

We ensure all personnel have the appropriate personal protective equipment ("PPE"), based on hazard assessment, and that they are appropriately trained in its use and care. All required PPE must meet applicable safety design standards for the work to be performed.

For example, we provide customized individual corrective and protective glasses to our employees in Brazil and Poland as well as customized hearing protection to employees in Switzerland, allowing them to work more comfortably and safely.

Electrical safety

We provided noise protection evaluations for 150 employees in Shajing, China, trained them on proper use and enhanced awareness, improving occupational health and safety.



Customized hearing protection for employees in Murten, Switzerland

We provide employees with electric safety training and adhere to regulations and safety standards for electrical installations. Qualified electricians handle maintenance and regular inspections are conducted.

Electric safety training organized in Hirson, France

Machine safety

Every machine used at a Johnson Electric facility around the globe must comply with relevant national and local regulations and requirements. Our machine safety compliance program sets out the necessary roles and responsibilities within the company to ensure compliance. Safety ambassadors have been chosen to help educate front-line workers about machine safety requirements and expected behaviour. To guarantee compliance, we have developed a machine safety list of requirements ("LOR") for both existing equipment used in-house and new machine purchases, and ask our machine suppliers to strictly follow these requirements. Measures include verifying design drawings to ensure safety requirements are met, conducting on-site supplier safety inspections and carrying out acceptance safety tests upon machine arrival.

In Shajing and Jiangmen, China, maintenance teams have installed pressure relief valves and safety relays in 1,485 machines to ensure operators' safety.

Manual handling

We place strong emphasis on employee safety during manual handling operations by implementing adequate controls to minimize or eliminate injury risks. Managers responsible for manual handling operations ensure the implementation of appropriate controls to protect their staff.

A preliminary risk assessment is conducted for manual handling operations to identify potential hazards. Hazardous manual handling operations are avoided whenever possible. We provide relevant information and training on manual handling to our employees to ensure they have the necessary knowledge and skills.

Our on-site ergonomics team conducts regular assessments to identify and mitigate potential ergonomic risks and hazards. This includes the use of TuMeke, an AI-powered tool that utilizes computer vision joint tracking to make ergonomic assessments based on video footage from smart devices. By automating the tedious and time-intensive manual tasks involved in traditional assessments, it rapidly captures and summarizes high-risk postures and movements and suggests AI-generated remedies to immediately reduce risks and allow for quick re-assessments.

Asti, Italy: Exoskeletons have been introduced in one of the assembly workstations.

Site-level safety committees and inspections

Our manufacturing sites have established safety committees comprising representatives from all levels (management, staff, and workers). Regular meetings are conducted to discuss safety issues, share lessons learned, and implement safety programs. Monthly safety inspections, organized by the management team or the safety committee, use a checklist to promptly identify and address unsafe conditions.

Chemical management

We comply with local and national regulations for safe chemical handling, storage, use, and disposal. Task-specific risk assessments are conducted, and regulatory requirements for notification, authorization and storage are followed. Adequate facilities and equipment are obtained before starting chemical operations. Chemicals are stored in designated areas, categorized according to national standards. Storage quantities are controlled, and clear labelling is mandatory. Material safety data sheets are available in each storage area. Qualified personnel handle chemical transportation, and employees receive proper training. Measures are implemented to prevent pollution and manage chemical waste. Special procedures and response materials are available for chemical spill incidents.

Chemical split training in Będzin, Poland

Occupational health

We do our utmost to ensure appropriate measures are in place to protect our employees against hazards in the workplace. Pre-employment health examinations are mandatory before job offers are made. Employees exposed to specific work-related health hazards, such as noise or chemicals, undergo occupation-specific medical examinations.

Health and safety training and communication

Personnel including employees, contractors and visitors will be asked to perform only in the areas in which they are capable and competent to work, based on appropriate education, training and experience. Our operating sites identify training needs associated with site-specific health and safety risks and local health and safety management systems.

All employees shall complete health and safety training as part of the orientation program for new employees. Office-based employees complete their training via our corporate learning management system, while manufacturing operators are trained by an appropriate supervisor.

In FY24/25, we organized more than 500 health and safety training courses with more than 18,000 training hours.

18,000+ hours of health and safety training

Our Beijing site encouraged operators to draw a random card containing safety tips before starting their shifts.

VR headsets were used to train 100 employees in Będzin, Poland on health and safety.

Contractor management

We have established pre-qualification, selection and retention criteria for contractor employees and monitor their compliance through a dedicated system. Hazards and risks associated with contractor activities within our facilities are thoroughly identified, effectively managed and clearly communicated.

To ensure a safe working environment, we provide comprehensive training to contractor employees, ensuring that they fully understand and adhere to our on-site health and safety requirements. Before commencing work in our facilities, all contracted workers must be registered and possess the necessary work permits. During work, we assign a dedicated health and safety coordinator to our contractors to ensure their safety.

Hazard and risk assessment

Johnson Electric sites that implement the ISO 45001 occupational health and safety management system are committed to establishing, implementing and maintaining procedures for ongoing hazard identification, risk assessment and control determination. When evaluating controls or considering modifications to existing controls, we follow a risk reduction hierarchy: elimination, substitution, engineering controls, signage and PPE.

Hazard hunt organized in Springfield, United States site

Emergency preparedness and response

We have emergency plans in place at all our sites around the globe. These plans identify the equipment, training and personnel necessary to protect our workforce in the event of an emergency incident.

Representatives from each operating site meet regularly to share the latest emergency preparedness and response measures. Automated external defibrillators have been installed at our facilities, and emergency drills are conducted regularly at all operating sites.

Our medical team in Shajing and Jiangmen, China provided training to employees on the use of AED and emergency response procedures

Lock-out tag-out

Each site has established a lock-out/tag-out (“LOTO”) program to ensure that all equipment energy sources are properly turned off, disconnected and physically locked out prior to any equipment maintenance activities, so as to prevent any unexpected energizing or startup of machinery, equipment, processes or circuits, or any other energy release that could result in injury.

Since the implementation of the LOTO program, over 10,000 machines have been reviewed, over 1,800 employees have been trained on LOTO, and over 1,900 inspections have been conducted.

Lock-out/tag-out in Jiangmen, China

Healthy workplaces good practice award

We have partnered with the European Agency for Safety and Health at Work (EU-OSHA) to organize the Healthy Workplaces Good Practice Awards as part of the “Safe and Healthy Work in the Digital Age” campaign.

Our team in Będzin, Poland, achieved second place at the national level with their program “Digitalization and AI in Occupational Safety Management,” which included running risk assessments, promoting awareness, offering trainings and organizing events to effectively communicate health and safety messages.

Talent attraction and retention

Our approach

We aim to attract and develop the right people, put them in the right jobs and provide them with the right environment to excel at what they do best. We invest in the future of our people through a committed focus on learning and development.

Our Human Capital Committee meets monthly with Johnson Electric's most senior executives. Its mission is to strengthen the talent pipeline and continuously improve organizational effectiveness. These meetings cover:

- Talent and capability reviews
- Appointments to senior roles
- Succession planning for key positions
- Development of senior high-potential individuals through job rotation, job expansion, promotion, transfer and executive coaching
- All major training and development initiatives, including related KPIs
- Other key people initiatives

Talent management and development

Johnson Electric is committed to developing strong leadership capabilities and a succession pipeline that supports sustainable business growth.

We have put in place an annual global talent review and succession planning process to identify high-potential employees and better understand their career aspirations, development gaps and retention risks, thus enabling leaders to build a succession pipeline for key leadership roles. High-potential employees work with their managers to create individual development plans, and are included in Johnson Electric's talent pool. This talent pool is regularly reviewed when considering key appointments to leadership roles at Johnson Electric.

Managers at Johnson Electric are empowered to drive talent development in their teams. They are also expected to create individual development plans for each team member. We support managers in this by offering psychometric assessments, 360° feedback, executive coaching and formal executive education programs.

We offer a range of impactful talent development programs and initiatives with a focus on Johnson Electric's strategic priorities. This includes leadership development programs that support leaders at different stages of their management careers, which in turn cultivates our talent pipeline.

Performance management

We have in place a performance management process for all staff that aims to drive high performance against set business goals and objectives through a fair and consistent approach. Performance is measured according to both quantitative and qualitative criteria. We also constantly stress the importance of performance discussions to ensure employees receive recognition and constructive feedback to support their growth. Furthermore, we place emphasis on making data-driven people decisions. Key demographic and people analytics are built into easy-to-navigate data visualizations for Executive Committee members.

Employee and managers may also request feedback from anyone in the organization on themselves or their subordinates at any time. Linking this feedback to the Group's strategic goals has enabled tighter alignment across functional teams and reinforced collaborations.

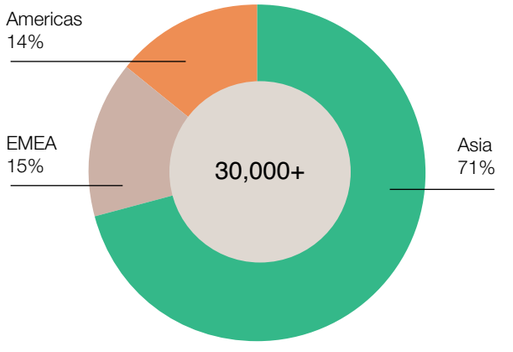
Career development

Our "JE Career Paths" initiative is available to employees in business units and engineering. It provides them with a better understanding of available career pathways as well as areas that they may need to build upon when driving their own career development.

The "My Career in Motion" program enables employees to take greater accountability for their career growth and development, working in partnership with their managers and other employees. At the heart of this program is a formal self-nomination process that encourages employees to apply for open positions for which they are qualified. This helps promote equal opportunities for all staff to develop and fulfil their career aspirations with Johnson Electric.

We recognize the importance of understanding different cultural needs when shaping policies and practices, while also aiming to create a "One Johnson Electric" operational ethos for all regions. 71% of our employees are from Asia, 15% from EMEA and 14% from the Americas.

Global workforce



Receiving the "HR Asia Best Companies to Work for in Asia 2024" award at the HR Asia Awards Ceremony in Shanghai, China.

Performance in FY24/25

To safeguard our long-term success, we hold annual succession planning workshops for senior vice presidents and key positions, with the results reviewed by the board-level Remuneration Committee. We monitor both our internal promotion rate and the number of senior positions with "ready now" and "ready soon" successors.

In FY24/25, there was a 40% increase in the number of key roles covered by our succession reviews, with 93% of such roles having a succession plan in place.

+40% key roles covered by succession reviews

The success of our targeted approach to talent development and succession planning is evidenced by the many examples of internal appointments to key leadership roles across all regions. In FY24/25, 76% of our senior executive positions were placed internally and 80% of general managers and vice-president positions were filled internally.

75%+ of senior management roles placed internally

We were recognized as one of the "HR Asia Best Companies to Work for in Asia 2024" by *HR Asia*. This prestigious award highlights our commitment to creating a great workplace for our employees.

2024/25 Leadership Development Programs

We invest in the future of our people through a focus on learning and development. Our leadership development programs support our employees as they transition to the next level of leadership responsibility, preparing them to take on roles of increasing complexity. Collectively, the different programs help develop the knowledge, skills, behaviours, relationships and experience required by leaders at different levels of our organization.

Supervisors

"JE Leader for Operations Supervisors" program

"JE Leader for Operations Supervisors" is an 8-month program for our current and emerging operational leaders.
The program is led by local leaders to build leadership capabilities and consistent operation standards across locations. By the end of 2024, a total of 149 participants had completed the program.

Frontline managers

"Leadership Essentials" program

The "Leadership Essentials" program helps to develop our current and future leaders through a multi-format training curriculum, consisting of eLearning, live sessions with other leaders, and application activities. To date, more than 790 employees have taken part in the program.

Senior leaders

"L.E.A.D." program

The "L.E.A.D." (Lead, Engage, Accelerate Development) program was launched in 2024 to support the development of the Group's future senior leaders. Members of Johnson Electric's senior leadership team personally led different workshop elements, sharing their direction, insight and best practices.

The 2024 "L.E.A.D." cohort included 20 participants drawn from various business units and functions across the Group.

Talent attraction and retention

Engineering International Assignment

In 2023, we launched the "Engineering International Assignment" initiative, which aims to promote cross-regional collaboration and knowledge sharing between Johnson Electric's engineering teams through special projects. To date, 15 engineers from across the organization have been placed on international assignments and programs lasting between 12 to 24 months.

"The global exchange experience though the Engineering International Assignment initiative has been transformative, allowing me to immerse myself in different cultures, expand my global network, gain valuable insights, and broaden my horizons."

Dr Lili An (first on left), Junior Business Development Manager, participated in the Engineering International Assignment exchange, travelling from China to Germany.

"JE International Engineering Trainee Program"

To develop our next generation of engineers, the "JE International Engineering Trainee Program" offers recent engineering graduates an opportunity to work at different Johnson Electric plants around the world. In this two-year program, participants first receive on-the-job training in their home country before spending a second year working in China and gaining valuable international career experience.

JE Tech Days

"JE Tech Days" have been held in Asia, Europe and the Americas since 2023 to embrace and encourage innovation. Over 300 engineers from across the organization have gathered together in person to identify solutions and develop opportunities for future business growth.

300+ engineers participated in Tech Days

JE Tech Days in Europe in 2024

Training and development

Our approach

Learning and professional development is a joint effort between Johnson Electric and our employees. Every time an employee grows through lifelong learning, Johnson Electric becomes more adaptable and competitive as a company. We help employees to close gaps in their capabilities and skills by offering the requisite experience and training.

We recognize that learning and development through on-the-job experience is the best foundation for future growth. In addition, we offer individual coaching and formal training that aims to fulfil functional needs and develop leadership talent.

The Johnson Electric Learning Institute sets the global direction for all employee learning, development and reskilling activities across our entire organization. Global learning steering committee meetings include representatives from all regions, who guide and shape policies and practices, and decide the focus of learning and development programs. A strong network of learning and development teams in major locations supports this, delivering local learning programs in response to business priorities and talent requirements.

We also organize a Learning Month every year to help build a learning culture at Johnson Electric.

Johnson Electric Baccalaureate program

We offer just-in-time classroom, webinar and e-learning programs to grow employees' technical and soft skills. Our Johnson Electric Baccalaureate program, which provides structured internal training to upskill technical workers to support our digital transformation, continued to expand to new sites worldwide during the reporting period. In FY24/25, we had a total of 569 participants.

560+ baccalaureates (technical trainees) trained

Apprenticeship programs

We offer apprenticeship programs at several of our operating sites, giving young people a route to gain technical training and work experience.

"Learning in Motion" learning platform

Our "Learning in Motion" global learning platform provides employees with more than 360 courses specific to Johnson Electric, covering key business compliance skills and soft skills, allowing employees to learn anytime, anywhere, on any device, and at their own pace. It automates the assignment, tracking and follow-up of mandatory training schemes for new hires. The platform includes local and corporate training courses, our Johnson Electric Baccalaureate program, and information and training material on sustainability issues.

A partnership with on-demand platform LinkedIn Learning also gives employees access to thousands of online courses taught by industry experts.

"Leadership Essentials" curriculum

Our "Leadership Essentials" curriculum provides training for managers using a variety of formats.

We continued to roll out the "Leadership Essentials" program to help develop our current and future leaders. This includes "Leadership Chat" sessions, which give employees the chance to interact directly with our CEO and other members of the senior management team. As of March 2025, more than 790 employees have completed or are currently participating in the program. Leadership training has also been enhanced at the operational supervisor level. Together, these efforts will help to ensure strong and effective leadership support for all of the employees who work tirelessly in our plants building our products.

790+ employees participated in the Leadership Essentials program

JE's Digital Transformation Champions program

To build employees' digital capabilities, we continued to promote our "JE's Digital Transformation Champions" (JEDi) program. This encourages all employees to gain expertise in relevant digital applications, regardless of their role and function. Through active learning and by applying new knowledge to their day-to-day work, employees who join this program are expected to become a key driving force in our digital transformation. As well as on-the-job learning, they receive sponsorship for training and exam costs, allowing them to develop valuable skills and access better career opportunities. This also equips them to mentor future JEDis.

This year we expanded our JEDi offer to include a Generative AI program, helping over 100 employees from all business units to increase their artificial intelligence skills and maximize efficiencies.

100+ employees participated in the JEDi program

Learning Month

Innovation was the focus of our 2024 Learning Month, where we deployed a range of global initiatives to provide all employees with tools, resources and activities for cultivating an innovation mindset. We also launched a new innovation curriculum for employees who want to take their learning to the next level.

Commitments and targets

We have set specific targets for training and development:

- Local training: ensuring sites make full use of the learning management system's capabilities and increase the reach of training across our workforce
- Progress on key initiatives, such as improving digital skills
- Sustainability training: helping all of us change the way we understand our work in line with our MARBLE value of "be sustainable"

Performance in FY24/25

- 97% of employees received training. Among them, 100% of individual contributors/supervisors and managers were trained.

97% of employees received training

- We continued to focus on function-specific training, launching new programs for a variety of business units including operations, IT, supply chain, business development, human resources and engineering
- We continued to expand our "JE HR Top Diploma" program for human resources employees. This helps them understand how to add value to the business by acting as change agents, identifying strategic challenges and creating integrated human resources practices. Specific initiatives included compensation and benefits training as well as talent acquisition. These efforts will help to ensure fair and consistent pay and hiring practices
- We enhanced our focus on digital skills training, including new programs to support the adoption and increased use of artificial intelligence. These generative AI and machine learning AI programs will help to increase efficiency and maximize performance

Baccalaureate technical trainees in Shajing, China

Diversity, equity and inclusion

Our approach

We believe having a diverse workforce and an inclusive culture enables us to drive innovation and performance and is critical for our future success. We strive to foster a diverse and inclusive workplace that encompasses talented people from a range of backgrounds, embraces and celebrates difference, and encourages open and constructive dialogue. In each of our locations, we actively encourage and seek out diverse perspectives as we believe this leads to better decision making, greater innovation and stronger adaptability.

Our employees are entitled to respectful and equal treatment in the workplace, independent of their age, gender, disability, marital status, race, national origin, colour or religion. We hire employees at competitive and fair levels based on role and experience, regardless of gender.

We are committed to providing a working environment free from any inappropriate behavior and any kind of harassment based on personal characteristics or status. Threats or acts of harassment are prohibited and not tolerated. We investigate all complaints of harassment or discrimination raised through our whistle-blower hotline.

Creating an inclusive environment

As part of the onboarding process, all employees are required to complete training on our Code of Ethics and Business Conduct, harassment-free workplaces and unconscious bias, which includes our approach to inclusion, non-discrimination and non-harassment. In addition, we have policies for diversity, equity and inclusion ("DE&I"), equal employment opportunities and harassment-free workplaces that outline expected workplace conduct and professionalism, including channels for reporting and escalation.

Family-friendly initiatives

We recognize that people at different life stages may benefit from different working arrangements, and promote family-friendly leave policies and flexible working. A global "work from home" policy has been implemented to help employees better balance work and family responsibilities. We have also implemented a variety of family-friendly programs in our major countries of operation, including parental and care leave as well as childcare services and allowances. Our employee housing projects in Zacatecas, Mexico and Jiangmen, China have been enthusiastically welcomed by both our workforce and the wider community.

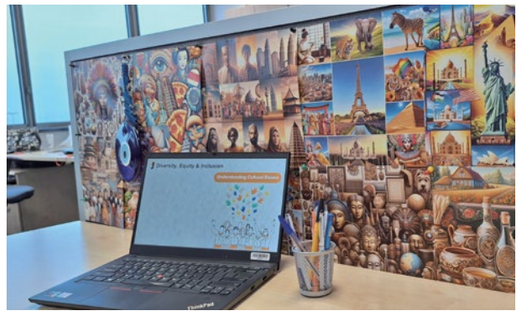
Strengthening our diversity

Our employees' diverse cultural and national backgrounds enrich our social fabric. Over 35 nationalities were represented in Johnson Electric's workforce.

35+ nationalities across our global workforce

Global Diversity Awareness Month

October is our Global DE&I Awareness Month, bringing people together and driving awareness of diversity, equity and inclusion.



Cultural workplace decoration in our Poland site

Commitments and targets

We are committed to creating an inclusive workplace for all and aim to be an employer of choice for women. In FY24/25, women made up 38% of our workforce, 20% of our managerial positions and 13% of our senior leadership. We aim to increase female representation in our senior leadership to 15% by the end of FY25/26.

38% female representation in our global workforce

Performance in FY24/25

Our commitment to creating a diverse and inclusive working environment is integrated in our MARBLE values. In our biennial global MARBLE survey, there was a 3% increase in employees' perception that senior leaders at Johnson Electric support diversity and inclusion in the workplace.

3% increase of employees who believe leadership supports workplace diversity

During the year, we continued to offer a variety of programs and activities to drive improved outcomes in diversity, equity and inclusion. An inclusive working environment was promoted through local-led and Group-led networks and initiatives.

A new "Female Engineers Employee Resource Group" was launched to provide development support and create a community for female employees working in engineering and technical roles. In 2024, 130 female employees participated in the initial kick-off event led by our CEO and Chief Human Resources Officer.

At the same time, other employee resource groups have been set up by female employees in the Americas region, creating a self-organized platform to share their views with other women and allies.

130 female employees participated in the Female Engineers Employee Resource Group

In 2023, we rolled out unconscious bias training to all staff and managers, with more than 750 employees and managers completing the training by December 2024. This supports our efforts to create and maintain a positive environment where all employees are treated with respect and are free from all forms of discrimination, bullying or harassment.

In 2024, we launched the Female Development Program to provide targeted support, mentoring opportunities and resources to help our female employees overcome the unique challenges and barriers they may face in the workplace, as part of our border commitment to promoting gender equality and providing a supportive network for our female colleagues to reach their full potential and achieve their career goals. Over 40 employees participated in the 9-month program, which comprised workshops, mentoring and personality assessments.

In addition to our annual talent review, we conduct biannual "Female Talent Reviews" that identify high-potential female employees and support them to work with their managers to craft career development plans. In FY24/25*, the promotion rate of female employees increased by 4% compared to the previous 12 months.

The higher proportion of women in lower-wage categories at our manufacturing sites compared to the percentage of women in management roles contributes to a gender pay gap (i.e. when comparing average pay by gender). We are working to close this gap by improving the skills and capabilities of our manufacturing employees as well as through operational enhancements and automation.

4% increase female promotion rate

We also strive to ensure that our HR processes align with and support our DE&I strategy, with a focus on ensuring that Johnson Electric's recruitment process is fair and non-discriminatory, decisions on promotions and career movements are merit-based, and equal development opportunities are provided to all employees regardless of background.

We introduced training for hiring managers and talent acquisition team members to ensure that a diverse pool of candidates is considered and hiring decisions are free of bias. In 2024, we launched a survey to solicit feedback from hiring managers about the diversity of candidate pools presented during the hiring process.

* Data as of September 30, 2024

Communication

Our approach

Our goal is to maintain Johnson Electric's reputation as a trusted employer brand that embraces diversity and inclusion. Mutual trust is essential for inspiring our employees to grow, act with ownership and find fulfilment in the work they do. To build trust, we go to great lengths to keep all employees well informed and up to date with the latest company news and developments through open, transparent and two-way communication.

One Johnson Global Celebration

One Johnson Global Celebration is an annual event for all employees around the globe to celebrate teamwork and successes. 2024 saw global celebrations to mark the 65th anniversary of the Group, in which we promoted local community empowerment by spreading the seeds of technology and STEM knowledge across the different geographies in which we operate.

Internal communication platform

"JE in Motion" is an internal digital platform for communicating leadership messages and encouraging knowledge sharing and team collaboration among global employees and specific employee groups.

Other means used to promote employee alignment with Johnson Electric's strategy and direction include emails and multimedia content shared with all employees, executives' messages, e-newsletters and global and local employee contests.

Regular all-staff meetings and forums

Regular all-staff meetings are held at each Johnson Electric major location to provide updates on business performance and developments on key projects. In addition, online staff forums cascade key business initiatives and encourage active engagement and internal alignment. During the year, online forums and live chats were conducted on topics such as AI and digital transformation, unconscious bias, and time management, etc., with leaders and employees in different time zones taking part.

Employee engagement survey

MARBLE Snapshot is a regular biennial survey to measure employee engagement levels and compare them to external benchmarks. The survey provides a mechanism for confidential employee feedback and management follow-up, ensuring employees' voices are heard and responded to at both corporate and team levels. Following the 2023 survey result, more than 600 actions have been completed in FY24/25 to address feedback and improve engagement.

Employee recognition programs

Employee recognition programs highlight and reward staff achievements. The monthly JEwel awards encourage the sharing of best practices, recognizing more than 210 winning projects and teams during the year.

The Annual Chairman's Awards, meanwhile, celebrate outstanding performance and leadership across six categories: (1) technology advancement, (2) solutions innovation, (3) productivity improvements, automation and artificial intelligence, (4) social impact and community outreach, (5) safety and (6) quality and improvements. This year's winners included a high-speed production line improvement project, the launch of the VersaSort Module, a blood pressure monitoring program to support employees' wellbeing, and the establishment of a Johnson Electric Technical School in India.

Local team building initiatives

Local initiatives, such as recreational and team building activities, are held throughout the year to boost engagement, build social skills and promote recognition. Local teams have organized festive celebrations, outings, cultural excursions, appreciation days, parent-child activities and other events.

External communication

We highly value stakeholder feedback and keep them informed through our bilingual corporate website, company news, direct mailers, and six social media channels catering to Western and Asian audiences. This year, we launched an AI-powered chatbot for better user experience and hosted a successful livestream introducing advanced motion solutions. We have enhanced corporate transparency, emphasizing safety, sustainability, well-being, global job exchange, and female leadership. Strengthening community ties, we share employee stories and engage in JEnerations and JBot workshops. Additionally, we maintain dedicated media and whistleblower channels to ensure open communication.

Labour rights

Our approach

Johnson Electric is committed to respecting the labour and human rights of all our employees and to providing a safe workplace in which the dignity of every individual is respected. Our subsidiaries around the world set their labour standards in line with the Group's policy and local labour laws and regulations, so that employment conditions fully comply with Johnson Electric's commitments and applicable laws and regulations.

Child labour, forced labour and human trafficking

Johnson Electric has established a clear global policy relating to child labour, forced labour and human trafficking, which adheres to the directives set by the International Labour Organization.

We have assessed our child labour and forced labour risks and note that some of our sites are located in countries ranked as Tier 2, Tier 2 Watchlist, or Tier 3 in the US Department of State's "Trafficking in Persons Report". Our policy is designed to address these risks and includes a mix of preventative and detective controls for all our sites, requires an annual declaration of compliance by the individual responsible managers and local HR leaders.

Our Code of Ethics and Business Conduct includes requirements for preventing child labour and forced labour as well as contact information for our whistle-blower hotline.

Our objective is to have zero child labour and forced labour in our value chain and within our own operations.

Contract of employment

All employees are provided with an offer letter or contract of employment that includes (at a minimum) working hours, reasonable notice period and termination provisions, methods and timing of salary or wage payments and overtime eligibility and terms. All overtime is voluntary.

Compensation and rewards

We maintain a global compensation structure to ensure that we offer competitive pay and benefits in every market in which we operate. Our compensation and benefit policy, available on our employee portal, sets out our framework for attracting qualified employees, recognizing performance and contribution, and motivating and retaining talented staff. It ensures that compensation and benefits are competitive with market norms and applied equally without regard to gender, race, nationality, ethnicity, or other individual characteristics. It allows us to address compensation inequities in a planned fashion guided by market knowledge, as well as ensuring that employees' eligibility for various incentives and incentive levels are defined globally.

For entry-level positions, remuneration and benefits comply with and typically exceed the minimum legal limits for the country of employment. Annual incentive pay is an important component of compensation for more than 80% of staff-level employees, including all management staff and the executive management team. This is tied to the achievement of our revenue, profitability, liquidity and sustainability goals.

80%+ of staff-level employees benefit from annual incentive pay

In addition, our long-term incentive share scheme forms a critical part of the compensation package for senior executives, encouraging retention while aligning rewards to shareholder value. The scheme includes both time-vested restricted stock units as well as a high proportion of performance stock units which vest only if stringent financial conditions are achieved.

We do not make deductions from wages as a disciplinary measure.

Company housing

Employees who are provided with company housing are free to come and go from their housing units, subject to reasonable security considerations.

Freedom of association and right of collective bargaining

Johnson Electric adheres to the directives set by the International Labour Organization's Declaration of Fundamental Principles and Rights at Work, as well as the United Nations' Guiding Principles on Business and Human Rights. Our freedom of association and right of collective bargaining policy covers all employees in all legal entities and locations.

We recognize the basic right of all employees to establish and join unions and employee representations in line with local laws and practice. Management will not discriminate based on lawful activities of trade unions and employee representatives. We also recognize the right to collective bargaining with bodies established following local laws and practice. Globally, the vast majority of our employees are represented by unions or employee representatives.

Employees can freely voice their concerns and requests to their direct supervisor or their local human resources department in a culture of mutual respect.

Social compliance and human rights external audits

To ensure that our HR policies and procedures are compliant with legislative requirements and international standards, we conducted a social compliance and human rights audit with an external auditor at eligible sites. Our global headquarters in Hong Kong was audited in FY23/24, confirming all policies and procedures related to human rights and employee health and safety comply with legal requirements, with no significant incidents of non-compliance identified during the audit.

We aim to conduct social compliance and human rights audits across our major sites (i.e. Jiangmen, China; Niš, Serbia; and Zacatecas, Mexico) by FY25/26, and expect no significant incidents of non-compliance to be identified during the audits.

Compliance

As part of Johnson Electric's corporate governance, we constantly monitor compliance with our employment standards and relevant labour laws and regulations.

At any time:

Employees may report any breach of our labour standards at any time. Reports can be submitted anonymously via our whistle-blower hotline, accessible globally at any time by phone or email. All such reports are investigated promptly and confidentially.

If it is determined that there has been a violation, prompt action is taken to prevent recurrence, if necessary, including appropriate disciplinary action. Retaliation is not allowed.

Every year:

As part of our annual corporate governance review of internal controls and risk management, our regional and country human resources teams must acknowledge and certify their full compliance with our human resources policies and relevant labour laws and regulations. The review also requires all managers and above, as well as other employees in sensitive positions, to certify that they have read and comply with the Johnson Electric Code of Ethics and Business Conduct. The Code of Ethics and Business Conduct guides every employee in the use of good judgment and ethical decision-making, ensuring employees uphold Johnson Electric's belief in conducting our business lawfully and ethically. In relation to labour and human rights, the Code of Ethics and Business Conduct includes specific requirements on preventing child labour and forced labour, ensuring equal employment opportunity, keeping open communication, ensuring a harassment-free workplace and preventing workplace violence and weapons.

All employees with a Johnson Electric email address must certify that they comply with the obligations of the Code of Ethics and Business Conduct and are not aware of any breaches within their work environment.

Every two years:

All employees with an email address are required to complete an eLearning course on the Code of Ethics and Business Conduct and its application in the workplace, including the protection of labour and human rights. On completing this training, they must demonstrate their knowledge by passing a test. Only then are they allowed to sign a declaration that they have read and comply with the Code of Ethics and Business Conduct.

All other employees will participate in a session led by their team manager where they will together review the key components of the Code of Ethics and Business Conduct. This multi-tiered approach helps to ensure all employees are appropriately trained in this highly important topic.

Performance in FY24/25

- Zero child labour cases identified or reported by whistle-blower hotline
- Zero forced labour cases identified or reported by whistle-blower hotline

Communities

We promise to enrich our local communities.

Core SDGs **Supporting SDGs**

"At Johnson Electric, we're passionate about making a difference through social impact and community engagement. By helping people to develop skills and access education, we're empowering individuals and communities to create brighter futures. Our Johnson Electric Technical Colleges have now equipped over 1,700 people in China, Mexico and India to pursue rewarding careers in manufacturing and STEM. Together, we're building stronger communities and driving lasting change."

Austin Wang

Executive Director and Executive Vice President

Main topics and key highlights

Community engagement

- More than 1,700 students have now graduated from our Johnson Electric Technical College ("JETC")
- 50 female students welcomed to JETC
- More than 400 children joined the Junior Engineer program
- More than 200 community activities organized through our JEnerations program
- Received the 5 Years+ Caring Company Award from the Hong Kong Council of Social Service

Donation to Changzhou Children's Welfare Institute by our JEnerations team in China

Community engagement

Our approach

Johnson Electric has always been committed to delivering social impact and serving the communities in which we operate. Our social impact and community engagement activities are based on both our passion for science, technology and engineering, as well as our heartfelt desire to respond to humanitarian needs.

All employees are encouraged and empowered to participate in volunteering programs and make a difference to their local communities. This includes contributing to technical education programs that aim to cultivate the next generation of rising STEM (science, technology, engineering and mathematics) stars, such as Johnson Electric Technical College and Junior Engineer, as well as environmental and social activities that care for people and planet, such as nature preservation and clean-up efforts, blood donation drives and fundraising for meaningful causes.

Our social impact activities are overseen by the Social Impact and Sustainability Committee, which includes our key executives and influences all levels of the organization. This committee provides focus and support and ensures a structured approach to delivering our social impact activities worldwide.

Johnson Electric operates multiple flagship programs in several countries to promote and support technical education as part of our community engagement. These include the Johnson Electric Technical College and Junior Engineer programs.

Johnson Electric Technical College

The first Johnson Electric Technical College ("JETC") was established in 2004 in Shajing, China, offering students a three-year, fully funded and high-quality education and comprehensive technical training course within a supportive learning environment that promotes self-discipline. The college moved to the Jiangmen campus in 2020, where students now enjoy modernized facilities. JETC has also welcomed a total of 50 female students since 2023, helping to advance opportunities for women in China's manufacturing sector.

Welcomed 50 female students to JETC since 2023

Development timeline of JETC

2004

1st JETC campus in Shajing, China

Established in 2004 in Shajing, China.

Offers a three-year, fully funded education with comprehensive technical training

2016

2nd campus Zacatecas, Mexico

Opened in 2016 in Zacatecas, Mexico.

Works with Mexican institutions to issue diplomas to JETC students

2020

1st campus moved to Jiangmen, China

The first campus in Shajing was moved to Jiangmen in 2020, featuring modernized facilities

2023

1st cohort of female students

Welcomed inaugural cohort of 25 female students to promote women in engineering in China

2024

Launched new campus in Chennai, India

The latest JETC campus was opened in Chennai, India in 2024, inspiring more young people to embrace engineering careers

In 2016, the second JETC campus was opened in Zacatecas, Mexico, providing the same curriculum and development opportunities. JETC cooperates with local educational institutions in Mexico to provide JETC students with the flexibility to attend the JETC campus to study for a university degree or to pursue high school qualifications online. All successful graduates are offered employment as technicians or mechanics in Johnson Electric's manufacturing or engineering departments. As of December 2024, this campus has trained more than 100 JETC students. In the coming year, JETC will invite a further 30 young people to join the program, fostering empowerment for the local community, offering unique learning opportunities and inspiring young people's thirst for knowledge.

The latest JETC campus was officially launched at the end of January 2024 in Chennai, India, marking another milestone in Johnson Electric's mission to invite young people from across the world to embrace career opportunities in manufacturing with the Group.

Since its inception, over 1,700 students have graduated from the JETC program in China and Mexico. JETC provides the Group with a stream of well-educated future employees and gives back to society by providing high-quality general and technical education to underprivileged youth.

In Serbia, meanwhile, using similar concepts to JETC, the Group works in partnership with a local technical high school, providing access to Johnson Electric's facilities and staff to assist students in receiving a high-quality technical education.

1,700+ students have graduated from JETC

Junior Engineer program

This simple but effective global community outreach program targets children aged 6 to 12 to encourage an early interest in STEM subjects by building a DIY J-Bot toy kit powered by a Johnson Electric motor. Participating sites arrange local activities internally for employees' children or externally with local educational institutions wherever appropriate.

This year, our "J-Bot" toy car was welcomed by over 400 children in toy car assembly workshops held across our global sites.

400+ children joined the Junior Engineer program

Junior Engineer activity in Hong Kong

Junior Engineer activity in the United States

JEnerations volunteering program

Launched in 2021, the JEnerations program encourages all of our employees around the globe to volunteer for social impact and community outreach activities that enrich our local communities.

Local employees are empowered to identify beneficiaries and service partners and arrange voluntary activities based on local needs.

Areas of focus include activities that benefit children, the elderly and the underprivileged, those that support diversity and inclusion, and those that protect and restore the environment.

Employees are entitled to paid time off to participate in social impact activities scheduled outside office work hours.

This year, we have hosted more than 200 JEnerations events. Activities included offering free English practice sessions for children in China, providing career advice at a United Kingdom college, donating a blood bank refrigerator to an Italian hospital, holding fundraising events for children's education, and inviting employees' children to join environmental protection campaigns.

200+ community activities organized

Social impact activities around the world

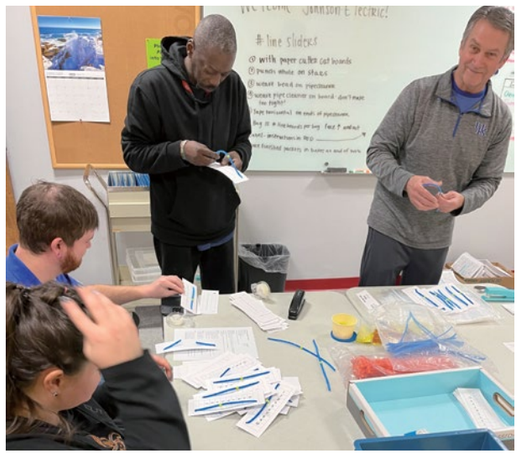
Jiangmen, China: Learning English can be fun! Our JEnerations volunteers organized a playful English language practice session for 18 children. The program helped children make friends and engage in fun activities like games and quizzes, making learning English enjoyable and motivating.

Shajing, China: 24 volunteers participated in cleaning up roadside garbage in a park and along a riverside in Shajing. Some volunteers brought their children to participate in the event, helping them learn to take actions to safeguard the environment.

Community engagement

Changzhou, China: 12 Changzhou employees and their family members participated in the 11th Changzhou "City Hiking for A Bag of Milk" event. The event aimed to raise funds to buy milk for children from families living in poverty.

Vandalia, USA: Through our partnership with Crayons to Classrooms, we support underserved students by donating essential school supplies. Additionally, our team assembled 647 journals for students, ensuring they have the resources they need to thrive in their educational journey.



Asti, Italy: The Asti team took part in a charity initiative to support the "L'Orecchio di Venere" Women's Shelter by purchasing clementines. We raised funds and donated to L'Orecchio di Venere to buy goods for the women hosted by the shelter.

The team also donated a new blood bank refrigerator to the Oncology Department of Cardinal Massaia Hospital. The purchase was funded by a charity collection from JE Asti employees during their Christmas dinner. This donation will help improve the hospital's blood storage and patient care.

Isle of Wight, United Kingdom: We were invited to host a stand at the Centre of Excellence for Composites, Advanced Manufacturing and Marine (CECAMM) College Educational Open Day and Careers Event at Christ the King College. The events provided an opportunity to engage with students, showcase our contributions to the engineering industry, and inspire the next generation of technologists.

Chennai, India: "Donation Drive for Orphanage" is a heartfelt initiative aimed at spreading kindness and hope by contributing essential items to the New Hope New Life Children Home at Perumbakkam. Essential items such as towels, bed sheets, books, stationery and food were donated.

Niš, Serbia: By participating in the "Let Niš Breathe" campaign in November 2024, we planted the 1,000th seedling in Niš. We believe that every small step towards a greener future is important.

Social impact awards

In Hong Kong, Johnson Electric received the 5 Years+ Caring Company Award from the Hong Kong Council of Social Service, recognizing our longstanding commitment to corporate social responsibility and our voluntary efforts to create a caring community in Hong Kong.

5 years+ 商界展關懷 caringcompany
Awarded by The Hong Kong Council of Social Service 香港社會服務聯會頒發

Trust and Transparency

We pursue high standards of corporate governance to protect and promote the interests of our stakeholders and to safeguard our reputation.

Core SDGs **Supporting SDGs**

"Ethics and culture are crucial to everything we do at Johnson Electric. Our strong ethical foundation fosters trust, collaboration and innovation, creating a solid reputation that attracts both customers and top talent alike, and drives long-term success for our business."

Amit Chhabra
SVP and Chief Financial Officer

Main topics and key highlights

Corporate governance	• Conducted a comprehensive double materiality assessment according to the European Sustainability Reporting Standards framework
Ethics	• 100% of at-risk of employees received ethics training
Compliance	• No significant instances of non-compliance with laws and regulations
Data protection	• 58% of employees work in entities accredited by TISAX
Supply chain	• 80% of suppliers (by spending) assessed on their ESG performance • More than 80% of assessed suppliers have ESG policies in place • 90% of eligible employees* trained in supply chain sustainability

* Targeted employees are defined as supply chain employees across all locations who are required to complete training on sustainable procurement

Our approach

Earning and maintaining trust is essential to our success and longevity as a highly collaborative, customer-focused business. Since our foundation, we have built a reputation for fairness and integrity with an emphasis on ethics, transparency and sound governance.

Strong ethical conduct is a core expectation of every employee. This is woven into the MARBLE values that guide our employees to fulfil our purpose and vision, helping us become the company we aspire to be. Our core values ensure our employees are working towards the same goals and are aligned with our culture of integrity, openness and fairness.

We are committed to pursuing the highest ethical standards. We provide full employee training on our Code of Ethics and Business Conduct, and engage with external initiatives and best practices regarding business ethics, such as reporting GRI ethics-related disclosures and membership of the Institute of Business Ethics.

This is especially important in the field of sustainability, in which new standards, benchmarks and methods of measuring and reporting ESG-related risks and impacts are constantly emerging. As with everything we do, we apply a keen eye for detail, process and systems to engineer the best transparency and governance outcomes.

In addition, we are increasingly taking steps to promote ethics and transparency beyond the footprint of our own organization and across our entire supply chain.

Finally, we continually strive to strengthen and optimize our corporate governance structure to guarantee strong lines of accountability and further enhance our culture of integrity.

All this serves as the foundation of trusted working partnerships with our stakeholders around the globe.

Corporate governance

Our approach

As a company listed on the Stock Exchange of Hong Kong, Johnson Electric adheres to the corporate governance rules and recommended best practices contained in the Corporate Governance Code of the Exchange Listing Rules*.

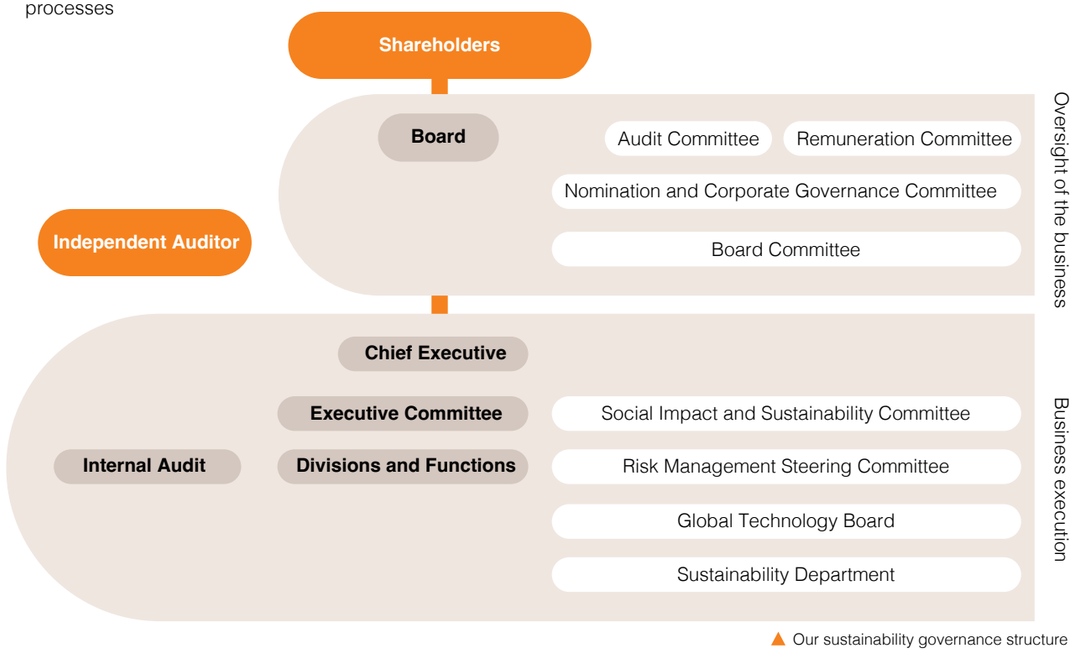
However, good governance is not merely a compliance exercise. At Johnson Electric, it is a vital process that supports our business success. The Board of Directors ("the Board") is focused on building a culture of integrity, transparency and accountability that extends across our extensive worldwide operations and will serve to sustain the business over the long term.

The Board is Johnson Electric's highest governance body and is responsible for:

- Setting out the Group's vision, purpose, values, culture and strategic aims
- Providing the leadership to put our strategic aims into practice
- Evaluating the extent and nature of risks (including sustainability risks) faced by the Group and ensuring the adequacy of risk management and internal control processes
- Ensuring sound decision-making across the Group in the best interests of the business. Defined delegations of authority ensure that decisions are made by those with the appropriate expertise and knowledge, while the Board retains overall responsibility and oversight. Clear lines of management accountability ensure that management remains responsible for its actions
- Supervising business execution
- Reporting to shareholders and other stakeholders with a balanced, clear and comprehensible assessment of Johnson Electric's performance, position and prospects

The Board meets in person on a quarterly basis and on other occasions when a board-level decision on a particular matter is required. The Group's senior management may also be asked to attend board meetings to advise on topical issues and report on the Group's performance.

For further details of the composition and work of the Board and its Committees, see the Corporate Governance Report on pages 76 to 89 of the Annual Report 2024/25. Profiles of the Directors can be found on pages 212 to 215 of the Annual Report 2024/25.



▲ Our sustainability governance structure

* Except for Code Provisions B.2.2 and C.2.1 as noted in our Annual Report 2024/25: Corporate Governance Report

Sustainability governance

The Board holds the primary responsibility for sustainability matters, ensuring that sustainability is integral to Johnson Electric's strategic aims. It has oversight of the Group's sustainability-related impacts, risks and opportunities, strategies, targets and performance.

The monitoring and assessment of certain aspects of the Group's sustainability activities are delegated to four committees which report to the Board on a regular basis.

The Audit Committee is responsible for reviewing and making recommendations on Johnson Electric's sustainability practices and reporting. In addition, it provides oversight on the Group's risk assessment and management, internal control framework, and integrity and ethics issues, including all matters reported via the whistle-blower hotline.

The Remuneration Committee determines the compensation structure and rewards for the Chairman and Chief Executive and other executive directors, and monitors the policies applied in remunerating senior management on behalf of the Board. It also reviews and makes recommendations on management development and succession plans for executive directors and senior management.

The Nomination and Corporate Governance Committee identifies and evaluates candidates for appointment or reappointment as directors. It also develops and maintains our overall corporate governance policies and practices and is responsible for implementing our Board Diversity Policy.

The Board Committee undertakes and supervises the day-to-day management and operating affairs of the Group. It exercises leadership and develops and keeps under review strategy and business initiatives, including those related to sustainability, and supervises their implementation.

Collective knowledge of the Board

The Board takes an active interest in the Group's sustainability performance and receives biannual reports from the Group's sustainability management. Topics discussed include Johnson Electric's sustainability risks and opportunities, targets and performance, impacts and stakeholder expectations, as well as background information to ensure a reasonable understanding of the topic. This also forms part of the continuous professional development program for directors.

In addition, certain members of the Board contribute specific skills and experience, ensuring a high standard of objective debate and overall input to the decision-making process pertaining to sustainability matters.

One of the Company's executive directors (and Executive Vice President), Austin Wang, chairs the Group's Social Impact and Sustainability Committee and receives frequent updates on sustainability matters.

An independent non-executive director, Catherine Bradley, was previously a director of the Board of the International Integrated Reporting Council ("IIRC"). She became a director of the Board of the Value Reporting Foundation ("VRF") formed by the merger of the IIRC with the Sustainability Accounting Standards Board, serving in this position until the VRF consolidated into the IFRS Foundation to support the formation of the International Sustainability Standards Board.

Sustainability in execution

Sustainability is well integrated across various facets of the Johnson Electric organization. We have incorporated sustainability strategies, KPIs and goals into our strategic plans of all business units, in order to support the Group's overall sustainability direction and commitments.

Each business unit has a dedicated budget for its own sustainability projects.

Johnson Electric's senior management team takes an active role in the day-to-day management of our sustainability matters.

The Social Impact and Sustainability Committee ("SISC") is chaired by Austin Wang, Executive Director and Executive Vice President, and includes the Chief Financial Officer, the Chief Human Resources Officer, the Senior Vice Presidents of Global Operations, Automotive Products Group, Corporate Engineering and Supply Chain Services, the Head of Sustainability and Environment, Health and Safety, as well as other leaders with responsibilities impinging on sustainability.

The SISC's responsibilities include:

- Understanding the sustainability context of Johnson Electric's activities and business relationships, so as to identify our stakeholders
- Identifying Johnson Electric's actual and potential impacts (both positive and negative) on stakeholders and assessing the significance of these impacts
- Prioritizing the most significant impacts and grouping them into material topics
- Developing and implementing social impact and sustainability strategies for each material topic
- Defining targets and key performance indicators for each material topic
- Day-to-day oversight of social impact and sustainability activities, reporting and communication
- Building a socially conscious and sustainable culture and mindset at all levels of Johnson Electric

The SISC has established a global structure to cultivate a social impact and sustainability culture at Johnson Electric. This comprises:

- Johnson Electric's Business Framework, which articulates our vision, purpose and values, and connects these to our promises to customers, employees, local communities, the environment and shareholders
- A Social Impact and Sustainability Charter that underpins the Business Framework and guides our activities. This charter sets out our Sustainability Framework, grouping our material topics into the key themes of products, environment, employees, communities, and trust and transparency. This reflects the interests of Johnson Electric's main stakeholders as we pursue our purpose "to improve the quality of life of everyone we touch through our innovative motion systems"
- A number of external initiatives that the SISC draws upon in developing and maintaining our Sustainability Framework, targets, key performance indicators and sustainability reporting. These include the United Nations Sustainable Development Goals, the Paris Climate Accords, the Greenhouse Gas Protocol, the EU Corporate Sustainability Reporting Directive and the European Sustainability Reporting Standards, the IFRS Sustainability Standards and the Global Reporting Initiative Standards, among others

The committee's activities are supported by the Sustainability Department.

Corporate governance

The Risk Management Steering Committee ("RMSC") is responsible for managing Johnson Electric's risk exposure by identifying, assessing, prioritizing and tracking existing and emerging risks and determining appropriate strategies for mitigation and control. It is chaired by Dr. Patrick Shui-Chung Wang, Executive Director, Chairman and Chief Executive, and includes the Chief Financial Officer, the Chief Information Officer, the Chief Human Resources Officer and the Senior Vice Presidents of Global Operations, Corporate Engineering and Supply Chain Services, as well as the Group's leaders from the Sustainability, Environment, Health and Safety, Legal, Intellectual Property and Internal Audit Departments.

Through this, we promote robust business practices that lower the frequency and reduce the severity of risk, and secure business continuity. These business practices are closely monitored by senior management and are tested periodically by both management and internal audit to ensure their continued effectiveness.

Further details of our risk management processes, our risk profile and our policies for managing exposure to key risks can be found on pages 49 to 57 of the Annual Report 2024/25. A mapping of the key interdependencies between our risk management and sustainability matters can be found on page 106.

The Global Technology Board ("GTB") leads Johnson Electric's global technology strategy and key technology initiatives.

We protect our proprietary position by safeguarding our global intellectual property, including know-how, trademarks and trade secrets, and by filing patent applications for technologies and processes that are important to the development of our business. We take enforcement action in case of infringement of our intellectual property rights by competitors. We respect others' intellectual property rights and conduct patent searches to avoid infringement.

The GTB's leadership of key technology initiatives includes managing design for automation; digital transformation; automotive software performance improvement and capability determination; product life cycle management; and the execution of key engineering projects that contribute to our technology strategy.

The Sustainability Department is responsible for:

- Supporting the SISC in developing the sustainability strategy and assisting in the selection of appropriate key performance indicators
- Supporting the RMSC in ensuring that sustainability risks are integrated into our risk management processes
- Defining and supporting the rollout of sustainability action plans in partnership with relevant stakeholders
- Acting as the point of contact for internal and external stakeholders regarding sustainability
- Monitoring and managing Johnson Electric's sustainability performance using approved key performance indicators
- Handling internal and external disclosures and reports, namely, internal management reporting and the annual Sustainability Report
- Managing the provision of information for external sustainability rating surveys and customer requests
- Providing necessary communication, coaching and training within Johnson Electric

Sustainability is also deeply integrated into Johnson Electric's global operations. All business units and functions incorporate sustainability strategies, key performance indicators and goals into their strategic plans to meet the Group's overall sustainability direction and commitments.

Performance targets based on relevant social impact and sustainability goals form an element in determining incentive pay * for many employees, including management-level staff and Executive Committee members.

The Internal Audit Department is responsible for:

- Supporting the Audit Committee, the RMSC and management in classifying, analyzing, prioritizing and tracking existing and emerging risks and assessing the extent of Johnson Electric's exposure to them
- Identifying potential risk management strategies and recommending appropriate preventative and detective internal controls
- Conducting internal audits at our various entities to test and assess the effectiveness of Johnson Electric's governance, risk management and internal controls over ethics, financial reporting and operations matters. Entities are selected using a risk-based approach, with entities that present a higher exposure to risk through size, complexity or other risk factors receiving more frequent visits
- Investigating ethics and compliance breaches, including matters reported via our whistle-blower hotline, in collaboration with other departments such as HR and Legal, as applicable and appropriate
- Periodic and ad hoc reporting to management and the Audit Committee

Sustainability reporting

We include sustainability information in our reporting cycle through the publication of an annual Sustainability Report. To promote transparency and communicate effectively with partners and stakeholders, we align our approach with globally recognized disclosure frameworks and best practices as well as the information requirements of various rating indexes. These include, but are not limited to:

- The United Nations Sustainable Development Goals (UN SDGs)
- The Global Reporting Initiative (GRI)
- The Sustainability Accounting Standards Board (SASB)
- The Science Based Targets initiative (SBTi)
- Hong Kong Stock Exchange requirements
- Hong Kong Quality Assurance Agency Sustainability Rating and Research
- Institutional Shareholder Services (ISS)
- MSCI ESG Ratings
- EcoVadis
- CDP

Stakeholder engagement

Our stakeholder engagement aims to build mutual understanding and relationships of trust. This foundation enables us to act with integrity, consistently upholding ethical and transparent practices in everything we do.

We stay connected with our customers, employees, suppliers, shareholders and the wider communities in which we operate through a variety of channels. We also engage and partner with sustainability experts and actively foster communication with stakeholders regarding our sustainability activities and reporting, including shareholders and financial institutions, sustainability experts, and national and local authorities and agencies.

This engagement helps us to identify and understand:

- What is expected of Johnson Electric
- What is important to our stakeholders
- How we impact them
- What they need to know about our activities
- How we can solve common challenges

This informs our sustainability impact strategies and action plans as well as our approach to sustainability reporting.

A list of topics that are most important to key stakeholder groups, along with our most common communication channels, can be found on pages 107 to 108.

Materiality assessment

We conducted a materiality assessment in FY20/21, detailed in our previous Sustainability Reports. From the assessment, we identified a list of material topics, which were integrated into our Sustainability Framework, categorized into five key areas: products, environment, employees, communities, and trust and transparency.

As planned, in FY24/25, we have now conducted a double materiality assessment with the support of Sphera*. We concluded that our Sustainability Framework, along with the five key areas and their respective activities, remains valid, relevant and aligned with the new significant topics identified in the double materiality assessment. Therefore, no revisions were necessary, validating our overall sustainability journey and focus.

* Annual incentive pay, tied to the achievement of revenue, profitability, liquidity and sustainability goals, is an important component of compensation for more than 80% of staff-level employees, including management staff.

* Sphera is a leading provider of Enterprise Sustainability Management software, data, and consulting services, focusing on Environment, Health, Safety & Sustainability, Operational Risk Management, Product Stewardship, and Supply Chain Transparency.

Corporate governance

Double materiality assessment

In FY24/25, we carried out a rigorous and comprehensive double materiality assessment in line with the European Sustainability Reporting Standards ("ESRS") framework. Double materiality considers both how issues impact a company financially and how it impacts society environmentally.

We consulted with stakeholders based on the extent to which our operations impact them. This allowed us to identify the most substantial impacts, risks and opportunities stemming from our operations and business relationships. The assessment was validated by Johnson Electric's Audit Committee and approved by the Board of Directors.

This assessment comprised four distinct stages:

1 Understanding Johnson Electric's context

We mapped key sustainability topics in detail using frameworks such ESRS, SASB, and Johnson Electric's sustainability framework. A comprehensive 360-degree assessment identified sector impacts and stakeholders affected by our operations. Stakeholders were also mapped and prioritized based on their influence and interest in our sustainability performance.

This process was carried out through expert-led workshops with appropriate members of Johnson Electric's global organization, and resulted in the pre-selection and validation of sustainability matters for deeper assessment in later program stages.

2 Identifying impacts, risks and opportunities

To identify the various impacts of our operations, Johnson Electric engaged internal and external stakeholders through a survey, attracting 560 responses (representing a 48% participation rate). The survey classified our environmental and societal impacts as positive/negative and actual/potential.

The likelihood of these impacts was qualitatively categorized from "very unlikely" to "very likely". Results were validated through expert-led roundtable discussions and interviews.

Financial risks and opportunities were identified through internal consultations and analysis of past risk management activities, including assessing the interdependencies between impacts, risks, and opportunities.

3 Assessing impacts, risks and opportunities

We evaluated the severity of impacts based on the following criteria:

Scale: the gravity of the impact, including any legal non-compliance

Scope: the extent of the impact

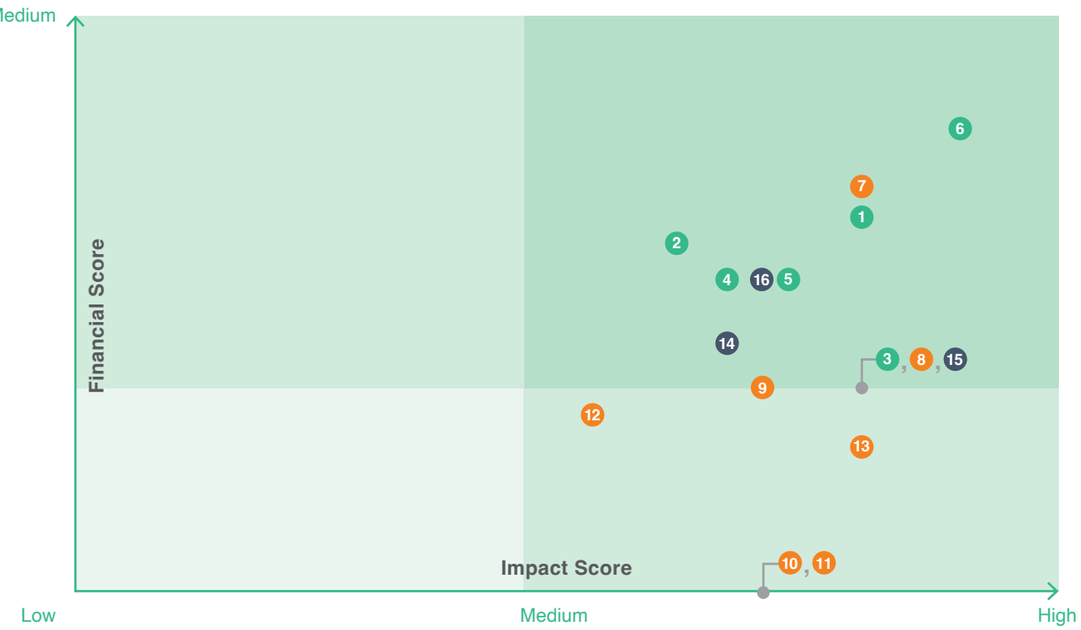
Irremediable character: the difficulty of mitigating or reversing harm caused

Survey data was used to assess the interdependencies between impacts and financial risks and opportunities. Further analysis of such impacts' effect on financial performance indicators was carried out via interviews and workshops.

4 Prioritizing material topics

Impacts were scored by multiplying the average scale, scope, and irremediable character (where relevant) by the likelihood factor. Similarly, risks and opportunities were scored by multiplying financial position, performance, and cash flow magnitudes by the likelihood factor. These calculations generated two scores – impact and financial – which were then used to identify material topics.

Our double materiality assessment topic prioritization



The material topics identified through the materiality assessment were as follows:

Environment	**Climate change** 1 Climate change mitigation 2 Climate change adaptation 3 Energy	**Resource use and circular economy** 4 Circular economy 5 Materials efficiency **Company / sector specific** 6 Innovation in sustainable products
Social	**Own workforce** 7 Health and safety 8 Employee wellbeing 9 Training and skills development 10 Gender equality and diversity 11 Labour rights	**Workers in the value chain** 12 Child labour and forced labour **Consumers and end-users** 13 Product safety
Governance	**Business conduct** 14 Corruption and bribery 15 Management of relationships with suppliers	**Company / sector specific** 16 Materials sourcing

Risk management and sustainability matters

Double materiality assessment topics	Risk areas	Sustainability Framework topics
Climate change mitigation	B, D, I	Energy and climate, Emissions, Product carbon footprint
Climate change adaptation	G, H, I, J	Energy and climate
Energy	B, I	Energy and climate
Circular economy	A, C, H	Waste, Sustainable products, Material management and use
Materials efficiency	G, H	Waste, Material management and use
Innovation in sustainable products	A, D	Sustainable products
Health and safety	E, I, K	Health and safety
Employee wellbeing	E	Health and safety
Training and skills development	E	Training and development
Gender equality and diversity	E, K	Diversity, equity and inclusion
Labour rights	E, F, I, K	Labour rights
Child and forced labour	F, H, I, K	Labour rights, Ethics, Supply chain
Product safety	I	Product safety
Corruption and bribery	F, H, I, K, L	Corporate governance, Ethics, Compliance
Management of relationships with supplier	F, I	Supply chain
Material sourcing	G, H	Material management and use, Supply chain

Label	Risk areas listed in Annual Report 2024/25
A	Sustainable production
B	Energy and climate
C	Waste, water and emissions
D	Electrification solutions
E	Human resources
F	Trust and Transparency
G	Climate resilience
H	Supply chain sustainability
I	Regulatory compliance
J	Business interruption
K	Exposure to developing countries
L	Fraud

Corporate governance

Stakeholder communication channels

Topics of interest		Key communication channels
Shareholders	Business performance Strategic plans Sustainability strategy and performance	Annual General Meeting Quarterly, interim and annual results announcements Interim and Annual Reports Media and investor relations conferences and feedback to enquiries Sustainability ratings – annual Sustainability Report – annual Johnson Electric sustainability impact survey Johnson Electric website and social media
Employees	Ethics and business conduct Working conditions and welfare Labour and human rights Health and safety Career development and training Business performance Sustainability strategy and performance	Health and wellbeing focus programs – frequent Diversity, equity and inclusion celebrations – frequent Ethics declarations – annual Ethics training – biennial Whistle-blower hotline – available 24/7 One Johnson Global Celebration – annual Performance reviews – annual Employee surveys – biennial Workplace posters, emails, social media and intranet – ongoing Staff briefings on topics of interest Employee representatives and trade unions Johnson Electric sustainability impact survey Training, coaching and on-the-job development – ongoing Sustainability Report – annual
Government	Environmental protection and labour rights Business performance Employment and training opportunities	Regulations Local office contacts – frequent Site visits, audits and inspections – on request

Corporate governance

Topics of interest		Key communication channels
Customers	Product, price and performance Quality Business performance Business integrity and ethics Sustainability strategy and performance	Customer meetings, phone calls and emails – frequent Customer complaints process – as needed Quarterly results announcements, Interim and Annual Reports Customer on-site visits and audits of our factories – on request Customer sustainability targets, questionnaires and assessments Sustainability ratings – annual Sustainability Report – annual Johnson Electric sustainability impact survey Johnson Electric website and social media Whistle-blower hotline – available 24/7
Suppliers	Supplier performance – price, quality and sustainability Supplier ethics and business conduct	Johnson Electric terms and conditions Johnson Electric Code of Ethics and Business Conduct Phone calls and email – ongoing Evaluated self-assessments for key suppliers – annual Conflict minerals reports – annual Supplier risk review – annual Johnson Electric sustainability impact survey On-site visits and audits of key suppliers
Communities	Employment and training opportunities Quality education Environmental activities Local community activities	Phone calls and email – ongoing Johnson Electric Technical College and partnerships with local education authorities and universities – ongoing Participation in government or NGO training and employment schemes – ongoing Johnson Electric Junior Engineer – annual Participation in local community activities and voluntary work – ongoing

Ethics

Our approach

We strive to conduct our business with honesty and integrity, both within the Group and in our dealings with our business partners, customers, suppliers, competitors and the communities in which we operate.

This aligns with our purpose – "to improve the lives of everyone we touch through our innovative motion systems" – and is an integral part of our MARBLE values, which guide us to "lead by example" and encourage our employees to live up to the ethical values we espouse.

Following the principle that "the tone is set at the top", we expect our Board members, executives and management to establish a strong ethical example through their day-to-day actions.

Code of Ethics and Business Conduct

Our Code of Ethics and Business Conduct (the "Code"), endorsed by our Chairman and Chief Executive, Dr. Patrick Wang, sets out the principles that define ethical behaviour. This guides all of our employees in all of our sites to use good judgment and ethical decision making in their business conduct and practices.

We believe all business decisions should be made fairly and impartially, based on quality, price, service and other competitive factors and not on the basis of gifts or gratuities. Our Code includes specific requirements relating to business conduct and anti-corruption.

If any violation of our Code occurs, we take prompt action to avoid future violations. When necessary, we take appropriate disciplinary action against the offending party, which may include counselling, warning, transfer, suspension, or termination of employment.

To ensure accessibility, we make the Code available in the local language of each site and also make it available to download from www.johnsonelectric.com. We review and refresh the Code every two years.

We extend similar requirements to suppliers though our Supplier Code of Conduct.

Ethics training and declaration program

Our ethics training and declaration program is designed to engage every employee at every Johnson Electric location, with all employees falling within the scope of the program.

The program classifies employees into the following categories: at-risk employees, managers, and all other employees. The last category is further divided into two sub-categories: all other staff-level employees with a Johnson Electric email account, and all other employees.

At-risk employees and managers must (1) complete compulsory ethics training on induction into the workforce, (2) make an annual declaration that they have complied with Code and are not aware of any violations by others, and (3) take part in biennial training, delivered online, with the choice of English or local language. We also extend these requirements to all other staff-level employees with a Johnson Electric email account.

All other employees take part in biennial ethics training, delivered by their team leaders, in the local language of their site.

Internal control and risk management system

Our internal control and risk management system also supports our business integrity. We assess our exposure to risk, including risks related to corruption, on a Group-wide basis. This assessment considers the likely frequency of occurrence and potential magnitude of risk incidents. This assessment is reviewed annually and updated to reflect both emerging issues and the results of internal audit work during the year.

We mitigate our exposure to risks through proactive oversight and robust business processes. Our internal control framework includes a mix of auditable preventative and detective controls, including business conduct and anti-fraud controls. It sets specified limits of authority and clear control responsibilities, and prohibits single-signature approval of contracts, customers, revenues, suppliers or expenditures (with strict monetary limits for gifts and entertainment).

Internal Audit Department

Our Internal Audit Department employs a risk-based approach to independently review and test our controls over various operations and activities. The key steps in our process include:

- **Risk assessment**: we assess the risks associated with various operations and activities across the organization, identifying potential vulnerabilities, control weaknesses, and compliance gaps
- **Risk prioritization**: entities or business units with higher inherent risks receive greater attention. Factors considered include financial impact, regulatory requirements, operational complexity, and historical audit findings
- **Annual audit plan**: at the start of each financial year, our Internal Audit department drafts a comprehensive plan outlining specific entities, processes and controls for evaluation in the coming year. The plan undergoes review and approval by the Audit Committee, ensuring alignment with organizational goals, risk exposure, and resource allocation
- **Independence and objectivity**: audits are conducted independently of the areas being reviewed, maintaining objectivity and avoiding conflicts of interest
- **Control evaluation**: during the audit, we evaluate the adequacy and effectiveness of controls including processes, policies and internal procedures
- **Compliance assessment**: we verify compliance with relevant laws, regulations, and internal policies and flag non-compliance issues for corrective action
- **Audit reports**: findings and recommendations are documented in internal audit reports, shared with the Audit Committee, senior management, and the external auditor
- **Follow-up and monitoring**: we track the implementation of audit recommendations and report on this regularly to the Audit Committee to ensure that corrective actions are taken

By adhering to this process, we maintain the highest standards of independence, objectivity and rigour in our internal audit activities, reinforcing transparency and accountability.

Whistle-blower hotline

Our whistle-blower hotline empowers all employees to report any ethical or business conduct concerns. These may be submitted directly to Internal Audit, be reported via the annual ethics declaration, or be submitted anonymously via our whistle-blower hotline at any hour, by phone or email.

In every workplace, conspicuously placed posters in the site's local language inform employees how to access the hotline. This contact information is also available via the employee intranet portal.

Reports may also be submitted by other interested parties, using contact information contained within our Code, available for download from the Johnson Electric website. Any retaliation against employees is strictly prohibited.

All whistle-blower reports are investigated promptly and confidentially by the Group's Internal Audit Department. If it is determined there has been a violation of our Code, we take prompt action to prevent reoccurrence.

We have "zero tolerance" for fraud and corruption. We refer such cases to the authorities for prosecution, where feasible, and vigorously assist any resulting investigation.

Institute of Business Ethics

We are a member of the Institute of Business Ethics, and make use of its tools, guidance and insights as we continue to enhance and reinforce our ethics culture.

Commitments and targets

We are committed to conducting Johnson Electric's business by lawful and ethical means.

In support of this, we have set the following targets:

- Zero legal cases brought against Johnson Electric or its employees for corruption, anti-competitive behaviour, anti-trust, and monopoly practices
- Biennial ethics training for 100% of the workforce
- Obtaining annual Code of Ethics declarations from 100% of at-risk employees, managers and other staff-level employees with a Johnson Electric email account
- Zero incidents of fraud, money laundering or conflicts of interest
- Extending our Internal Audit approach into a comprehensive five-year strategy that ensures systematic coverage across all eligible entities*, allowing for effective auditing and risk management. To remain dynamic, this plan will be updated annually to reflect any changes in our risk assessment and priorities. We will monitor our performance against this strategy to ensure that all in-scope entities receive an audit visit over a five-year cycle
- Investigating 100% of whistle-blower reports received through our hotline

Performance in FY24/25

Ethics training and declaration:

- During FY24/25, 90% of our workforce participated in ethics training, which included essential anti-corruption modules. The breakdown by employee category and delivery method is shown in the table on the following page

90% of employees received ethics training

- 100% of at-risk employees (excluding managers) and 98% of managers completed ethics training and signed an annual declaration that they had read, understood and conformed with the requirements of the Code and were not aware of any potential violations of the Code by others, or reported such violations

* Eligible entities are identified based on their annual turnover and workforce size

Ethics training summary

	At-risk employees (excluding managers)	Managers	Executive Committee	Other employees: With a Johnson Electric email account	Other employees: Without a Johnson Electric email account	Total
Percentage of employees trained in FY24/25	100%	98%	100%	97%	87%	90%
Frequency of training	On joining, then every two years					
Training mode	Online	Online	Online	Online	Group training	
Topics covered						
Definition of corruption	✓	✓	✓	✓	✓	
Policy	✓	✓	✓	✓	✓	
Scenarios that provide guidelines of what is considered good behaviour	✓	✓	✓	✓		
Annual declaration	✓	✓	✓	✓		

Internal audit visits:

- During FY24/25, Internal Audit conducted visits at 18 eligible entities*, during which it tested the appropriateness, effectiveness, and degree of compliance of various anti-corruption controls as part of its test program

Whistle-blower reports:

- The reporting rate for the whistle-blower hotline was 1.2 reports per 1,000 employees
- 100% of whistle-blower reports were subject to investigation. Of the investigations concluded in FY24/25, 24% were found to be substantiated, including some prior cases. These were subject to relevant corrective actions including disciplinary action where appropriate. However, as of end of March 2025, some investigations were still ongoing

Whistle-blower reports by category

	FY24/25
Business integrity	89%
Labour standards	8%
Information security	3%

Fraud and corruption incidents:

- There were three confirmed incidents of fraud and corruption. Each of these incidents involved employees engaging in corrupt practices that were harmful to the company's interests. These included conflicts of interest, offer and acceptance of kickbacks (i.e. bribery), embezzlement and misappropriation of company property. All employees involved in these incidents resigned, were dismissed or disciplined
- There were no confirmed incidents that led to the termination of relationships with suppliers due to violations related to corruption
- There was one legal case brought against employees for corrupt practices

* Eligible entities are identified based on annual turnover and workforce size, as well as significant to the Group as a whole.

Code of Ethics and Business Conduct

Guarding against bribery and corruption

We believe all business decisions should be made fairly and impartially, based on quality, price, service and other competitive factors and not on the basis of gifts or gratuities. Business courtesies such as gifts, favours, contributions or entertainment must never be offered or accepted if they can be interpreted as improper. This is further enforced through rigorous expenditure controls with strict monetary limits on gifts and entertainment.

Product integrity

Johnson Electric ships products that live up to our product and safety standards. We are committed to constantly improving our products through the Johnson Electric Product Development System and the proper communication of long-term business strategies.

Preventing unfair competition

We do not enter into agreements that harm customers, including price-fixing and bid-rigging, or unreasonably limit the freedom of a reseller, customer or supplier to sell a product or technology. We do not abuse a dominant position in the market to stop others competing.

Anti-money laundering

We are committed to complying fully with all applicable anti-money laundering laws throughout the world's jurisdictions. Our customer relationship processes are designed to ensure that we know our markets and our customers' businesses. We take reasonable steps to ensure we do not accept forms of payment that are suspicious or identified as a means of laundering money.

Proper authorization

The Johnson Electric name can only be used for authorized, ethical and legitimate business activities. Employees should only make commitments for which they have received delegated authority (as per policy and documented scope of employee position), that they believe the Company can keep, and then do their best to keep these commitments.

Government relationships

All dealings with governments should be at "arm's length". Employees must not offer or make any payment, gift, bribe, secret commission or give any other benefit to influence the decision or action of any government employee, official, candidate or political party.

Preventing fraud and maintaining accurate and complete official records and reporting

All books, records and accounts must conform to applicable accounting principles, laws and regulations, and to Johnson Electric's internal control policies. False, misleading or artificial entries in any financial books, records or accounts are prohibited. The same principle applies to quality records, environmental, health and safety records and to any other information that is critical to the business, including performance metrics.

Preventing conflicts of interest

We require employees to report potential conflicts of interest. They are prohibited from using their positions to benefit themselves, their families, friends, or associates. They are also prohibited from any non-Company business involvement with a competitor, supplier or customer.

Protecting intellectual property

We safeguard all proprietary and confidential information. We establish, maintain and defend our intellectual property rights and respect the valid intellectual property rights of others.

Preventing child labour and forced labour

We do not permit the employment of minors who do not meet the legal minimum working age of each country and region in which we operate. We will not partake in any form of forced, bonded or indentured labour.

Protecting the environment and creating a healthy and safe workplace

We maintain an environmental, health and safety policy including standards, checks, inspection procedures and audits to prevent harm to the environment and employees wherever we operate.

Mutual respect and diversity

We are committed to providing a harassment-free workplace in which the dignity of every individual is respected. We value the differences of diverse individuals around the world. Each job applicant and employee is treated in a fair and non-discriminatory manner without regard to age, disability, marital status, race, nationality, religion, gender, sexual orientation or any other legally protected status.

Trade compliance

We comply with all applicable import and export laws and regulations.

No retaliation

We do not allow retaliation against employees for their reporting a breach of our Code.

Duty to report

Employees are required to report any breach of our Code that they encounter.

Compliance

Our approach

The Group operates in a number of different jurisdictions with differing legal and regulatory requirements.

Our internal control and risk management system, which includes a defined management structure with specified limits of authority and defined control responsibilities, is designed to ensure compliance with relevant legislation and regulations.

In addition, as part of Johnson Electric's regular year-end activities, local and regional management must submit management representations of their compliance with our internal controls and with relevant legislation and regulations.

Fair competition

We believe in fair competition. We do not take part in agreements that harm customers such as price-fixing, bid-rigging or other anti-competitive practices.

Our Code of Ethics and Business Conduct includes specific requirements relating to the prevention of unfair competition.

Furthermore, we conduct annual reviews of each market segment in which we compete. These are designed to allow us to understand the basis of competition including:

- How we engage in the market
- The number, size and relative strength of our competitors (and their behaviours)
- Market trends and development prospects, and the risks and opportunities presented by these
- Potential problems and difficulties

These reviews are then updated twice during the year. The review and update meetings are chaired by the Chief Executive and attended by Executive Vice President, the Chief Financial Officer, the Senior Vice Presidents of the Automotive and relevant managers.

Global tax policy

We manage our tax affairs in a manner that maintains the Group's corporate reputation.

The finance team responsible for each Group company is required to understand and comply with all applicable tax laws and regulations. They are supported in these duties, and in the identification, reporting and resolution of possible tax issues, by our internal tax experts and our external tax advisers. We seek external guidance where tax laws are changing or unclear.

We are committed to carrying out transfer pricing using the arm's length principle.

Commitments and targets

Johnson Electric strives to comply with relevant laws and regulations. In support of this, we have set the following targets:

- Zero significant* instances of non-compliance with laws and regulations
- Zero regulatory actions regarding fair trade or competitive practices
- No infringement of others' intellectual property rights

Performance in FY24/25

In FY24/25:

- There were no significant* instances of non-compliance with laws and regulations
- No regulatory action was brought against the Group regarding fair trade or competitive practices

* Refers to fines over USD100,000.

Data protection

"We are harnessing the capabilities of data, analytics and automation to optimize our operations. Our aim is to deliver greater value to stakeholders and help customers to meet their own sustainability goals. Through an unwavering focus on cyber-security, we ensure our information remains confidential, secure, and readily available."

Raman Mehta

SVP and Chief Information Officer

Our approach

We follow the principle of "privacy and security by design and by default" in all our information security systems. Our goal is to protect the confidentiality, integrity and availability of data.

Data protection systems

We deploy information security management systems for the robust protection of our own data as well as customer, employee and partner data.

Preventative control measures implemented by our security operations centre include:

- Regular global risk assessments
- Secure configuration of hardware and software
- Using protected AI with built-in security measures to prevent unauthorized access, manipulation or misuse
- Protection against malware
- Identity management and controlled access to systems and data
- Software updates
- Vulnerability management, including (a) regular scans of external and internal networks and critical assets and (b) controlled penetration tests, to identify risks and ensure compliance with information security standards
- Raising employees' awareness of phishing scams through periodic training and simulated phishing and social engineering attacks
- Engaging internal and third-party security experts to regularly test the resilience of key business processes and systems against potential security breaches
- Uninterrupted, round-the-clock monitoring of networks, systems and sensitive data access to detect anomalies and unauthorized activity
- Third-party vulnerability analysis including simulated hacker attacks
- Annual third-party audits of information security, data protection and cyber-security hygiene

Data protection hotline

Employees can report potential phishing emails, suspicious activity or other information security concerns at any hour through an internal information security hotline. Reports may also be submitted by other interested parties by email to infosec@johnsonelectric.com.

Vendor assessments

We perform due diligence reviews of vendors that handle sensitive data through a supply chain information security assessment process.

Incident management

Our incident response plan is designed to quickly detect, contain, eradicate, and recover from information security incidents. We test this plan regularly and hold incident response drills to ensure familiarity with the required procedures.

Data protection

Cyber-security accreditation

As the number of smart and connected vehicles grows, the automotive industry is setting increasingly stringent requirements for information security.

Many automakers and suppliers have chosen to standardize the assessment and exchange mechanism for companies' information security management through the Trusted Information Security Assessment Exchange (TISAX) accreditation. This ensures an appropriate level of protection for information related to customers, new products and prototype development, and allows for the mutual recognition of assessment results among participants.

The TISAX accreditation process requires an initial self-assessment followed by an audit and subsequent closure of any identified compliance gaps before accreditation is granted.

A number of our locations have now gained TISAX accreditation, including our Hong Kong headquarters. Further locations including technology development centres, sales offices and key manufacturing sites are also working towards accreditation, with more sites scheduled to follow. Meanwhile, best practices learned by implementing TISAX are being shared across the wider Group.

In addition, some larger automotive companies are establishing their own information security accreditation schemes along similar lines. We will take appropriate steps to align with such schemes as they develop, with the aim of serving our customers' needs.

Data protection compliance

Our data protection and privacy policies are intended to ensure compliance with data protection and cyber-security laws by Johnson Electric and our employees and partners. This includes compliance with the General Data Protection Regulation (GDPR) of the European Union; the Personal Information Protection Law of the People's Republic of China; the Personal Data (Privacy) Ordinance of the Hong Kong SAR; and the Personal Data Protection Bill of India, among others. Compliance with these laws and regulations is a very important component of our commitment to sustainability, as it reflects our dedication to protect the privacy and rights of individuals.

For example, we have an assigned GDPR leader to ensure we are complying with GDPR. We ensure that our data processing practices are transparent, lawful and respectful of individuals' right to privacy. Our commitment to GDPR compliance includes:

- Implementing appropriate technical and organizational measures to safeguard personal data
- Providing training and resources to our employees to ensure they understand their own responsibilities in protecting personal data
- Working closely with our partners and vendors to ensure they meet GDPR compliance standards

We constantly review and update our policies and procedures to ensure ongoing compliance with GDPR and similar laws, and remain committed to upholding the highest standards of data protection and privacy.

Commitments and targets

Johnson Electric is committed to protecting our facilities and information systems from physical security breaches as well as cyber theft.

Our data protection targets include:

- Zero information security breaches
- Zero leaks, thefts, or losses of personal or customer data

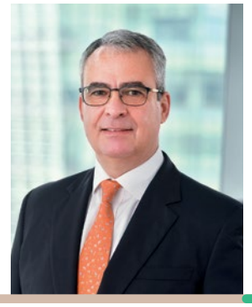
Performance in FY24/25

In FY24/25:

- Five entities in Jiangmen and Shajing, China and Aachen, Germany obtained TISAX accreditation. As of FY24/25, 58% of employees work in entities accredited by TISAX
- There were no identified information security breaches
- There were no identified leaks, thefts, or losses of personal or customer data

58% of employees work in entities accredited by TISAX

Supply chain



"Building a sustainable supply chain is critical to achieving our sustainability goals. This means measuring our Scope 3 emissions and setting ambitious, science-based reduction targets, while collaborating with current and potential suppliers to drive stronger ESG performance and more responsible practices across our entire value chain. Together, we can create a more sustainable future."

Robert Gillette
SVP, Supply Chain Services

Our approach

As a global manufacturer with a diverse network of facilities catering to different product markets around the world, our supply chain is inherently complex and intricate. At the same time, our trusted partnerships with approximately 2,000 direct material suppliers offers an enormous opportunity for us to drive change. We are collaborating with our suppliers to create positive outcomes for people and planet by integrating our sustainability standards into our supply chain and developing tools to support our suppliers in their own sustainability endeavours.

Our robust supplier qualification procedures require due consideration of cost, quality, environmental awareness, ethical behaviours and social responsibility. We continuously monitor supplier performance against these requirements throughout the business engagement, using surveys and risk mitigation plans and/or actions.

Johnson Electric's suppliers are contractually required to be certified under relevant international quality and environmental management standards such as ISO 9001, ISO 14001, ISO/TS 16949 and ISO 13485.

Our Supply Chain Sustainability Framework summarizes our overall approach, targets and actions, and can be found on page 124 of this report.

Sustainable procurement policy

Our sustainable procurement policy guides our sourcing decisions and embodies our commitment to environmental, social and governance ("ESG") considerations. The policy requires any employee taking a sourcing decision to evaluate suppliers' sustainability performance alongside traditional criteria such as cost, quality, and delivery.

The policy defines specific ESG requirements for prospective suppliers and establishes ESG-related key performance indicators for Johnson Electric's purchasing teams. By integrating sustainability considerations into our procurement, we aim to promote responsible practices throughout our supply chain and contribute to a more sustainable future.

In FY24/25, we updated our sustainable procurement policy to include appreciating the top-performing suppliers.

Supplier terms and conditions

Our supplier terms and conditions have been developed in accordance with various acts of legislation, such as the US Foreign Corrupt Practices Act, the UK Bribery Act 2010 and relevant criminal law in the countries in which we operate. Suppliers are required by the Group's purchase terms and conditions to adhere to directives set by the International Labour Organization's ILO Declaration on Fundamental Principles and Rights at Work and the United Nations' Guiding Principles on Business and Human Rights. These set out principles on freedom of association, the right of collective bargaining, the abolition of child labour and the elimination of all forms of forced or compulsory labour and discrimination in the workplace.

Supplier Code of Conduct

Our Supplier Code of Conduct (the "Supplier Code") is a comprehensive framework that sets out our expectations for suppliers to engage in socially and environmentally responsible practices, emphasizing the importance of human rights, labour rights, and ethical behaviour in all aspects of their operations.

By agreeing to the Supplier Code, our suppliers take responsibility for upholding its principles and conducting their business in a manner that promotes sustainability, transparency, and respect for stakeholders.

Every supplier is required to comply with our Supplier Code. We take the commitments outlined in the Supplier Code seriously and expect our suppliers to do the same. We reserve the right to terminate our relationship with any supplier who fails to comply with the Supplier Code or who demonstrates a pattern of non-compliance.

Standards included in our Supplier Code include:

- Prohibiting all forms of forced labour, child labour and human trafficking
- Ensuring compliance on conditions of employment, and respecting freedom of association and collective bargaining
- Equal opportunities
- Responsible materials sourcing
- Responsible environmental stewardship
- Continuous improvement of environmental performance
- Emergency response
- Compliance with environmental laws and regulations
- Ethical behaviour
- Anti-corruption
- No gifts and entertainment
- Trade compliance and export control
- Protection of intellectual property
- Prohibiting counterfeit parts
- Privacy
- Information security practices
- Accurate records
- Disclosure of information
- Avoiding insider trading
- Anti-money laundering
- Compliance with the Supplier Code
- Reporting concerns

The Supplier Code is available for download on our company website.

In FY24/25, 84% of our suppliers have acknowledged our Supplier Code, up from 71% the previous year.

84% of suppliers have acknowledged our Supplier Code

Supplier ESG assessment

We have partnered with third-party specialists to assess the ESG performance of our key suppliers, as determined by commodity sustainability priority and spending level, primarily via a supplier assessment survey. New suppliers must also undertake a third-party ESG survey assessment process if they supply commodities that are crucial to our ESG priorities, if supplier ESG assessment is requested by our customers, or if other business considerations apply.

In FY24/25, we started implementing the Sustainability Assessment Questionnaire ("SAQ") introduced by Drive Sustainability, an automotive Partnership between 18 automotive manufacturers facilitated by CSR Europe. The SAQ is designed in accordance with the Global Automotive Sustainability Guiding Principles and enables Johnson Electric to meet automotive customer expectations for supply chain ESG management. In addition, providing an up-to-date sustainability assessment result from EcoVadis can be considered as an alternative for our suppliers to completing the SAQ.

We invited 366 suppliers to take part in our FY24/25 ESG assessment survey, achieving an impressive 90% completion rate. Spending by these assessed suppliers represented 80% of our total direct material expenditure, underlining the significance of their contribution.

80% of suppliers (by direct material expenditure) have been assessed on ESG performance

In addition, we continuously monitor supplier performance across a range of key areas. We track our spending with high-performing suppliers as a percentage of our total spending with suppliers who complete the SAQ, via an internal Power BI dashboard.

As of December 2024:

- 54% of assessed suppliers have set greenhouse gas emissions reduction targets
- 84% of assessed suppliers have a formal environmental policy
- 83% of assessed suppliers have a health and safety policy
- 82% of assessed suppliers have a human rights policy
- 86% of assessed suppliers have a business ethics policy
- 93% of assessed suppliers have a Code of Conduct
- 60% of assessed suppliers have set CSR requirements for their upstream suppliers

80%+ assessed key suppliers have ESG related policies

We also measured renewable electricity adoption rates across key suppliers. In FY24/25, 11% of our direct material spending was from suppliers who operate with renewable electricity. Our target is to reach 100% direct material spending with key suppliers using renewable electricity by 2050. Key suppliers are those within the ESG assessment scope defined by our sustainable procurement guidelines (as determined by commodity sustainability priority and spending level).

Target: **100%** direct material spending on key suppliers using renewable electricity by 2050

Based on suppliers' ESG performance data as of March 2025:

- 30 suppliers whose ESG performance ranked in the top 10% have been awarded "ESG Excellent" certificates
- Among suppliers in the bottom 10% for social assessment in 2023, 13 showed improvement
- Among suppliers in the bottom 10% for environmental assessment in 2023, 13 showed improvement
- According to our sustainable procurement policy, the bottom 10 suppliers over a three-year total assessment period shall become ineligible for new business until improvements are made. As of March 2025, eight suppliers have been made ineligible for new business.

We have prepared a 2024 Supplier Sustainability Performance report for each assessed supplier to recognize their contributions to Johnson Electric's ESG assessment in 2024, provide performance insights, and outline next steps.

Top 10% of assessed suppliers have been awarded "ESG Excellent" certificates

Testimonial from our supplier

YEŞİLOVA DIE CASTING

"We are truly honoured to be ranked among the top 10% of suppliers in Johnson Electric's 2024 ESG evaluation. This acknowledgment reflects our shared commitment to sustainability and continuous improvement. We highly value our collaboration with Johnson Electric and look forward to aligning even more closely with your key sustainability priorities in the coming years. Thank you for your continued support and for fostering a transparent and improvement-driven approach to rigorously assessing supplier sustainability. We look forward to building on this success and strengthening our partnership in 2025 and beyond."

Supplier on-site ESG audit

Our Supply Chain Services and Supplier Quality Team collaborated to establish a standard operating procedure ("SOP") for on-site audits of our suppliers' ESG performance. As part of this initiative, our global supplier quality engineers have received training to effectively perform supplier ESG on-site audits.

In FY24/25, a total of 12 suppliers have been audited for their ESG performance.

Responsible minerals management

We have in place a Responsible Mineral Policy, available on our website. We utilize CMRT (Conflict Minerals Reporting Template) and EMRT (Extended Minerals Reporting Template) to comply with regulations and demonstrate responsible sourcing practices. Through CMRT, we transparently disclose the origin of conflict minerals like tin, tungsten, tantalum, and gold (3TG) in our supply chain, with EMRT extending this reporting to include additional minerals like cobalt and mica. In this way, we promote ethical sourcing and the mitigation of human rights abuses associated with mining in conflict-affected regions.

In FY24/25, we conducted a Reasonable Country of Origin Inquiry (RCOI) for 434 suppliers of 3TG and 222 suppliers of mica and cobalt. As of March 2025, the CMRT completion rate is 95% while that of EMRT is 91%.

95% CMRT completion rate by suppliers

91% EMRT completion rate by suppliers

Our direct purchases of 3TG are sourced exclusively from suppliers certified as conflict-free by the London Bullion Market Association (LBMA) or through the Responsible Minerals Assurance Process (RMAP). We have implemented a due diligence program aligned with the OECD's Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. To further mitigate risks related to our suppliers' smelters, we developed an in-house, AI-driven solution in FY24/25 that automates the review of CMRT and EMRT submissions and facilitates requests for corrective actions where necessary. Our purchasing team diligently follows up with suppliers who report sanctioned smelters but do not adequately respond to our requests, until a resolution is achieved. The requirements regarding sanctioned smelters are clearly outlined in the suppliers' Supplier Sustainability Performance reports to underscore their significance.

Supply chain sustainability training

We recognize the importance of training for both our employees and suppliers in enhancing their awareness of ESG and for promoting best practices throughout our supply chain.

In FY24/25, seven sustainability training sessions were conducted. 90% of targeted* employees were trained on supply chain sustainability. We also provided sustainability training to our suppliers.

90% of targeted employees* were trained on supply chain sustainability

Additionally, we have created an ESG survey FAQ (frequently asked questions) as a resource for suppliers. The Responsible Minerals Supplier FAQ has been updated in FY24/25 to reflect changes in our CMRT/EMRT management process. The training documents are available on our website, ensuring easy access for suppliers. Links to these training documents are also included in each supplier's Supplier Sustainability Performance report.

* Target employees are defined as supply chain employees across all locations who are required to complete training on sustainable procurement.

Supply chain

Supply Chain Sustainability Framework

Key elements / Targets

Environment & Products

1 Climate change – carbon emissions
- Reduce Scope 3 carbon emissions by 35% by FY34/35 (category 1: purchased goods and services), from baseline FY22/23

2 Climate change – renewable energy
- 100% direct material spending on key suppliers using renewable electricity by 2050

3 Natural resources – raw materials sourcing
- Adopt green procurement concepts for sourcing 80% of raw materials by 2030

4 Pollution and waste – packaging material
- Reduce usage of cardboard and polystyrene by 2030

Employees & Communities

5 Human capital – health and safety
- Extend Johnson Electric's safety culture, chemical safety and industrial hygiene initiatives to all suppliers

6 Controversial sourcing – raw materials
- Adopt responsible mineral policy for 3TG* and cobalt by avoiding buying from sources in or associated with conflict zones

7 Controversial sourcing – human/labour rights violators
- Avoid suppliers who are employing child and/or forced labour

* 3TG refers to tin, tantalum, tungsten and gold.

Trust & Transparency

8 Corporate behaviour – business ethics
- Extend Johnson Electric's ethics policy to suppliers and conduct business solely with ethical suppliers

9 Corporate behaviour – anti-corruption
- Develop and implement a robust supply chain governance system

10 Corporate behaviour – risk management
- Eliminate high-risk suppliers or help them to reduce risk

11 Supplier Code of Conduct
- Ensure the Supplier Code is honoured by 100% of existing suppliers and accepted by new suppliers

12 Supplier terms and conditions
- Keep abreast of relevant sustainability requirements

13 Training
- Develop and maintain internal and external supply chain training plans

14 Suppliers ESG assessment
- Develop and maintain a supplier ESG assessment process, focused on top spending and high ESG priorities commodity suppliers

15 Supplier audits
- Develop and maintain an audit process

16 Policies & procedures
- Document processes within our standard internal operating procedures

Version: June 2025

Key performance indicators

Environment – Energy and climate

Items	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/SASB
Total energy consumption within the organization	3,046,711	3,080,577 [1]	2,965,557 [2]	2,849,356	2,626,427	GJ	GRI 302-1, A2.1, TR-AP130a.1, RT-IG-130a.1
Percentage of energy consumed from grid electricity [3]	82.4	82.3 [1]	83.1 [1]	n/a	n/a	%	TR-AP130a.1, RT-IG-130a.1
Percentage of renewable energy in total energy consumption	69.1	44.0 [1]	21.6	6.3	n/a	%	TR-AP130a.1, RT-IG-130a.1
Percentage of renewable electricity in total electricity consumption	83.3	53.2	26.0	7.6	n/a	%	
Total energy consumption from non-renewable sources	942,903	1,725,419 [1]	2,325,426 [2]	2,669,847			
Electricity	421,075	1,194,070	1,825,254	2,167,359			
Natural gas	485,675	496,118	460,860	463,155			
Steam	10,321	8,984	8,715	10,126	n/a	GJ	GRI 302-1, A2.1
Liquefied petroleum gas	5,756	5,522	6,766	4,172			
Gasoline	8,228	6,007	7,705 [2]	6,426			
Diesel	3,898	5,707	5,675 [2]	6,539			
District heating	3,830	4,042	3,388	n/a [4]			
Others [5]	4,120	4,969 [1]	7,063 [2]	12,070			

Key performance indicators

Items	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/SASB
Total energy consumption from renewable sources	2,103,808	1,355,158	640,131	179,509			
Energy suppliers	176,579	186,101	n/a	n/a			
Renewable electricity certificates (RECs)	1,102,996	1,154,212	n/a	n/a	n/a	GJ	GRI 302-1
Power purchase agreements (PPA)	809,180	0	n/a	n/a			
Solar panels	15,053	14,845	n/a	n/a			
Total renewable electricity sold [6]	1,067	1,044	1,111	n/a	n/a	GJ	GRI 302-1
Energy intensity within the organization [7]	835.3	807.7 [1]	813.3 [2]	826.8	832.3	GJ/US$ million	GRI 302-3, A2.1
Reductions in energy consumption as a direct result of conservation and efficiency initiatives [8]	5,330	26,172	8,230	17,340	n/a	GJ	GRI 302-4
Scope 1 emissions [9]	30,923	33,211 [10]	29,642 [11]	27,563	26,122		
Mobile energy (own fleet)	1,248	1,014	1,252 [11]				
Stationary energy	27,563	28,457	26,568	n/a	n/a	t CO_2 eq.	GRI 305-1, A1.1, A1.2
Refrigerants	2,112	3,740 [10]	1,822 [11]				

Key performance indicators

Items	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/SASB
Scope 2 emissions (location-based) [9]	346,316	346,243	335,720	n/a	n/a	t CO_2 eq.	GRI 305-2, A1.1, A1.2
Scope 2 emissions (market-based) [9]	42,048	116,602	217,788	292,109	282,514		
Grid electricity – market-based [12]	41,353	115,952	217,168				
District heating	180	202	199	n/a	n/a	t CO_2 eq.	GRI 305-2, A1.1, A1.2
Cooling consumption	0	0	0				
Purchased steam	515	448	421				
Scope 1 and Scope 2 [9]							
Location-based emissions	377,240	379,454 [10]	365,352 [11]	n/a	n/a	t CO_2 eq.	GRI 305-2, A1.1, A1.2
Market-based emissions	72,972	149,813 [10]	247,430 [11]	319,672	308,636		
Reduction in carbon emissions (Scope 1 and Scope 2 market-based) as a direct result of reduction initiatives [13]	76,841	97,617 [10]	72,242 [11]	0 [14]	n/a	t CO_2 eq.	GRI 305-5

Key performance indicators

Items	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/SASB
Carbon emissions intensity (Scope 1 and Scope 2 market-based)	20.0	39.3 [10]	67.9 [11]	92.8	97.8	t CO_2 eq./US$ million	GRI 305-4, A1.1, A1.2
Carbon emissions intensity (Scope 1 and Scope 2 market-based) reduction	19.3	28.6 [10]	24.9 [11]	5.0	2.1	t CO_2 eq./US$ million	
Scope 3 [15]	Not available [16]	10,686,188	11,329,130	n/a	n/a	t CO_2 eq.	GRI 305-3
Category 1 – Purchased goods and services		1,077,210	1,244,069				
Category 11 – Use of sold products		9,608,978	10,085,061				

n/a: not available due to the corresponding indicators being newly introduced.

1. Revised by removing 5,027 GJ of hydrogen gas incorrectly input as fuel consumption.
2. Revised by removing 4,529 GJ of hydrogen gas incorrectly input as fuel consumption and adding 5,115GJ of jet fuel consumption.
3. Percentage calculated as purchased grid electricity consumption (both renewable and non-renewable) divided by total energy consumption.
4. District heating in FY20/21 was reported in "others".
5. Other non-renewable sources include heating oil and jet fuel starting in FY22/23. It includes district heating, heating oil and jet fuel in FY21/22.
6. In late 2021, we installed solar panels for renewable electricity generation in our Hong Kong manufacturing plant. By participating in Hong Kong's Feed-in Tariff Scheme, the renewable electricity-generated has been sold to CLP Hong Kong.
7. The baseline for energy intensity target is 827.1 GJ/US$ million in FY19/20.
8. Energy saved was based on energy savings from projects.
9. The calculation involved the use of Sphera's Corporate Sustainability (SCCS) Impact Libraries emission factors, drawing on external data sources such as the UK Department for Environment, Food and Rural Affairs (Defra), the International Energy Agency (IEA), the US Environmental Protection Agency (EPA), the Intergovernmental Panel on Climate Change (IPCC) and the Greenhouse Gas (GHG) Protocol. Location-based Scope 2 data is only available from FY22/23, when we started using SCCS.
10. Revised by supplementing the refrigerant emission data.
11. Revised due to on update of the data for jet fuel, refrigerants, diesel and gasoline.
12. Supplier-specific emission factors and country-specific conversion factors have been applied in calculating market-based Scope 2 carbon emissions from electricity consumption.
13. Formula = Scope 1 and 2 emissions of this fiscal year – Scope 1 and 2 emissions of last fiscal year.
14. Revised to align with the formula in footnote no.13.
15. Summary of Scope 3 categories included within the target boundaries only.
16. Data for FY24/25 is not yet available as the assessment is in progress. It will be published in next year's Sustainability Report.

Environment – Waste

Items	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/SASB
Total waste from own operations	107,278	108,477	110,075	108,496	96,099	t	GRI 306-3, A1.3, A1.4
Hazardous and non-hazardous							
Hazardous waste	8,298	8,508	9,545	9,320	8,708	t	GRI 306-3, A1.3, A1.4
Non-hazardous waste	98,980	99,696	100,530	99,176	87,391		
Manufacturing and non-manufacturing waste							
Manufacturing waste	104,336	105,305	103,858	n/a	n/a	t	TR-AP-150a.1
Non-manufacturing waste [17]	2,942	3,172	6,217	n/a	n/a		
Total waste generation intensity [18]	29.4	28.4	30.2	31.5	30.4	t/US$ million sales	
Hazardous waste intensity [18]	2.27	2.23	2.62	2.70	2.76		
Non-hazardous waste intensity	27.14	26.21	27.57	28.78	27.69		
Percentage of waste hazardous	7.7	7.8	8.7	8.6	9.1	%	TR-AP-150a.1
Total waste diverted from disposal	100,483	101,325	102,727	91,035	81,835	t	GRI 306-4, A1.3
Hazardous waste recycled	7,374	7,568	8,306	n/a	n/a		
Non-hazardous waste recycled	93,109	93,757	94,421				

Items	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/SASB
Percentage of waste recycled [19]	93.7	93.4	93.3	83.9	85.2	%	TR-AP-150a.1
Absolute waste to disposal	6,795	7,152	7,348	17,461	14,264	t	GRI 306-5
Hazardous waste directed to disposal by waste treatment type	924	940	1,239				
Incineration (with energy recovery)	528	512	643	n/a	n/a	t	GRI 306-5
Incineration (without energy recovery)	394	428	605				
Landfilling	2	0	0				
Non-hazardous waste directed to disposal by waste treatment type	5,871	6,212	6,109				
Incineration (with energy recovery)	4,781	5,072	951	n/a	n/a	t	GRI 306-5
Incineration (without energy recovery)	54	53	4,095				
Landfilling	1,036	1,087	1,063				
Waste to disposal intensity	1.9	1.9	2.0	5.1	4.5	t/US$ million sales	GRI 306-5
Absolute waste to landfill	1,038	1,087	1,063	n/a	n/a	t	
Percentage of waste to landfill [20]	0.97	1.00	0.97	n/a	n/a	%	

n/a: not available due to the corresponding indicators being newly introduced.

17. Non-manufacturing waste includes medical waste, general waste and food waste.
18. The baseline year for our total waste intensity and hazardous waste intensity is FY20/21.
19. Percentage of waste recycled = total waste diverted from disposal/total waste from own operations x100%
20. Percentage of waste to landfill = absolute waste to landfill/total waste from own operations x100%

Key performance indicators

Environment – Water

Items	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/SASB
Total water withdrawal by source							
All area	2,346	2,622	2,580	2,780	2,729		
Surface water	112	122					
Groundwater	33	24					
Seawater	0	0	n/a	n/a	n/a	megalitres	GRI 303-3
Produced water	0	0					
Third-party water	2,201	2,476					
Areas with water stress [21]	37	42					
Surface water	0	0					
Groundwater	0	0	n/a	n/a	n/a	megalitres	GRI 303-3
Seawater	0	0					
Produced water	0	0					
Third-party water	37	42					
Water withdrawal intensity [23]	0.64	0.69	0.71	0.81	0.87	megalitres/US$ million	
Total water withdrawal by utilization methods							
For production process	293	303	338	306	295	megalitres	
For domestic use	2,053	2,319	2,242	2,474	2,434		

Items	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/SASB
Total water discharge, by level of treatment							
All area	**2,069**	2,305	2,276	2,452	2,405		
Tertiary treatment	**158**	163					
Secondary treatment	**8**	0					
Primary treatment	**20**	21	n/a	n/a	n/a	megalitres	GRI 303-4
Discharge to the natural environment without treatment	**0**	0					
Discharge to a third party without treatment	**1,883**	2,121					
Area with water stress	**28**	28					
Tertiary treatment	**0**	0					
Secondary treatment	**8**	0					
Primary treatment	**1**	6	n/a	n/a	n/a	megalitres	GRI 303-4
Discharge to the natural environment without treatment	**0**	0					
Discharge to a third party without treatment	**19**	22					
Total water consumption [22]	**277**	317	304	328	324	megalitres	GRI 303-5, A2.2
Water consumption intensity [23]	**0.076**	0.083	0.083	0.095	0.103	megalitres/ US$ million sales	A2.2

n/a: not available due to the corresponding indicators being newly introduced.

21. Water stress refers to high and medium levels of water stress in countries where our sites are located. High water-stress locations include Israel and South Korea while medium water-stress location include India.
22. Total water consumption = water withdrawal – water discharge.
23. The baseline year for our water withdrawal intensity and water consumption intensity target is FY20/21.

Environment – Emissions

Items	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/SASB
Air emissions	**51.6**	39.0	52.5	75.4	39.0		
Volatile organic compounds (VOC)	**46.4**	30.0	34.3	52.2	34.5		
Nitrogen oxides (NOx)	**4.1**	6.5	11.1	n/a	n/a	t	GRI 305-7
Particulate matter (PM)	**0.8**	2.2	5.2	15.4	2.6		
Sulphur oxides (SOx)	**0.1**	0.1	0.1	0.3	0.1		
Others	**0.2**	0.2	1.8	7.5	1.8		
Production, imports, and exports of ozone-depleting substances	**0**	0	0	n/a	n/a	tonnes of CFC-11 eq.	GRI 305-6

n/a: not available due to the corresponding indicators being newly introduced.

Environment – ISO certificate status

Items	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/SASB
Entities certified with ISO 14001	**44**	45	45			no.	
Percentage by number of manufacturing sites [24]	**100**	100	100	n/a	n/a	%	
Percentage by energy consumption	**99.8**	99.9	n/a				
Entities certified with ISO 50001	**10**	11	11			no.	
Percentage by number of manufacturing sites [24]	**15**	15 [25]	15 [25]	n/a	n/a	%	
Percentage by energy consumption	**53**	52	n/a				

n/a: not available due to the corresponding indicators being newly introduced.

24. There were 34 Johnson Electric manufacturing sites globally in FY24/25.
25. Revised due to calculation error.

Products

Items	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/SASB
Revenue from products designed to increase fuel efficiency and/or reduce emissions [26]	1,732	1,820	1,645	n/a	n/a	US$ million	TR-AP-410a.1
Number and percentage of total products sold or shipped subject to recalls for safety and health reasons	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	no. (%)	GRI 416-2, B6.1, TR-AP250a.1
Number of valid product and service-related complaints received	725	1,088	971	993	853	cases	B6.2
Monthly average of valid product and service-related complaints received	60	91	81	83	71	cases	
Valid product and service-related complaints received as a ratio of sales	0.199	0.285	0.266	0.287	0.266	cases/ US$ million sales	
Internal defect costs related to in-process failure as a ratio of sales [27]	0.435	0.509	0.467	0.560	0.468	%	
Cost of packaging materials incurred [28]	30.1	31.8	32.9	30.8	29.9	US$ million	A2.5

n/a: not available due to the corresponding indicators being newly introduced.

26. Automotive products only. Revenues from the sale of non-automotive products are excluded from this metric.
27. Formula = internal defect costs in all three operating regions (Asia, EMEA and Americas)/total sales x100%
28. The weight of packaging materials used in finished goods is not available; therefore, we disclose the spending on packaging materials incurred.

Employees – Health and safety

Items	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/SASB
Work-related fatalities	0	0	0	0	1	cases	GRI 403-9, B2.1
Work-related fatalities rate	0	0	0	0	0.002	rate	GRI 403-9, B2.1, RT-IG-320a.1
Lost-time accidents [29]	76	105	93	89	70	cases	
Lost-time accident rate (per 200,000 hours worked, OSHA) [30]	0.180	0.239	0.197	0.183	0.144	rate	GRI 403-9, B2.2
Lost-time accident rate (per 1,000,000 hours worked) [30]	0.902	1.195	0.986	0.915	0.720	rate	
Lost days	3,752	3,065	3,328	3,286	3,351	days	B2.2
Lost-time accident severity rate [31]	0.045	0.035	0.035	0.034	0.034	rate	
All recordable injuries [32]	155	190	171	184	195	cases	
Recordable injury rate (per 200,000 hours worked, OSHA) [33]	0.368	0.432	0.363	0.378	0.401	rate	GRI 403-9, B2.2
Recordable injury rate (per 1,000,000 hours worked) [33]	1.839	2.162	1.813	1.892	2.006	rate	
Recordable injuries (excluding lost-time accidents)	79	85	78	95	125	cases	
First-aid incidents	495	383	419	356	n/a	cases	
Near-misses communicated	1,348	1,096	782	387	n/a	cases	RT-IG-320a.1
Near-miss frequency rate [34]	3.20	2.49	1.66	0.80	n/a	rate	RT-IG-320a.1
Hazards communicated [35]	15,945	10,295	7,227	4,131	n/a	cases	

Items	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/SASB
Work-related ill health	11	4	4	8	13	cases	GRI 403-10
Hours worked	84,265,420	87,894,334	94,312,048	97,263,445	97,225,639	hours	GRI 403-9
Percentage of all operational sites for which an employee health and safety risk assessment has been conducted [36]	79	79 [37]	74	74	n/a	%	
Percentage of the total workforce across all locations represented in formal joint management-worker health and safety committees [38]	92	92	n/a	n/a	n/a	%	
Entities certified with ISO 45001	37	38	34	34	n/a	no.	
Percentage by number of manufacturing sites [39]	79	79 [37]	74	74	n/a	%	GRI 403-8
Percentage by hours worked	92	92	n/a	n/a	n/a	%	

n/a: not available due to the corresponding indicators being newly introduced.

29. Lost-time accidents refer to recordable injuries with lost time of more than one working day.
30. Lost-time accident rate (per 200,000 hours worked) = the number of lost-time accidents x 200,000/total hours worked. Lost-time accident rate (per 1,000,000 hours worked) = total number of lost-time injury events x 1,000,000/total hours worked.
31. Lost-time accident severity rate for direct workforce = number of days lost due to injuries x 1,000/total hours worked.
32. Recordable injuries include all injuries except first-aid cases.
33. Recordable injury frequency (per 200,000 hours worked) = the number of recordable injuries x 200,000/total hours worked. Recordable injury frequency (per 1,000,000 hours worked) = the number of recordable injuries x 1,000,000/total hours worked.
34. Near-miss frequency rate = the number of near-misses communicated x 200,000/total hours worked. Proper communication of near-miss cases makes us better equipped to spot potential hazards, suggest improvements and develop a safety prevention culture.
35. Proper communication of hazard cases allows us to suggest improvements and develop a safety prevention culture.
36. Manufacturing sites only. Our manufacturing sites certified with ISO 45001 occupational health and safety management system carried out employee health and safety risk assessments as a mandatory requirement of the management system.
37. Revised due to calculation error.
38. Calculated by hours worked in manufacturing sites with ISO 45001 certificates/total hours worked.
39. There were 34 Johnson Electric manufacturing sites globally in FY24/25.

Employees – Diversity, equity and inclusion

Items	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/SASB
Total number of workforce [40]	31,166	34,100	35,554	38,511	39,442		
Employees	27,574	29,823	31,329	n/a	n/a	no.	GRI 2-7, B1.1, RT-IG-000.B
Contingent workers or non-employees [40]	3,592	4,277	4,225	n/a	n/a		
Percentage of workforce, by gender							
Male	62	61	59	61	59	%	GRI 2-7, GRI 405-1, B1.1
Female	38	39	41	39	41		
Percentage of workforce, by region							
Asia	71	70	70	72	74	%	GRI 2-7, B1.1
EMEA	15	16	16	16	15		
Americas	14	14	14	12	11		
Percentage of workforce, by age							
Under 30 years old	21	21	22	21	28	%	GRI 405-1, B1.1
30 – 50 years old	64	67	67	66	63		
Over 50 years old	15	12	11	13	9		

Key performance indicators

Items	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/SASB
Percentage of workforce, by contract type							
Full time	99.4	99.4	99.6	99.5			
Male: Female	61:39	61:39	59:41	61:39	n/a	%	GRI 2-7, B1.1
Asia: EMEA: Americas	69:16:15	71:15:14	68:17:15	71:16:13			
Part-time	0.6	0.6	0.4	0.5			
Male: Female	58:42	56:44	54:46	45:55	n/a	%	GRI 2-7, B1.1
Asia: EMEA: Americas	6:85:9	7:82:11	3:79:18	9:78:13			
Percentage of workforce, by employment role							
Manufacturing operators	55	59	60	63	64	%	B1.1
Technicians and other operational and administrative support	27	26	25	23	22		
Individual contributor/ supervisory	14	12	12	11	11		
Managerial	4	3	3	3	3		
Percentage of managerial positions, by gender [41]							
Male	80	80	81	81	81	%	GRI 405-1
Female	20	20	19	19	19		

Items	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/SASB
Percentage of senior management positions, by gender [42]							
Male	87	87	n/a	n/a	n/a	%	
Female	13	13					
Gender pay gap (ratio of the basic salary and remuneration of women to that of men) [43]							
By employment role							
Manufacturing operators	82:100	83:100	83:100	n/a	n/a	%	GRI 405-2
Technicians and other operational and administrative support	75:100	74:100	69:100				
Individual contributor/ supervisory	79:100	77:100	78:100				
Managerial	89:100	71:100	85:100				
By region							
Asia	65:100	62:100	65:100	n/a	n/a	%	GRI 405-2
EMEA	46:100	43:100	41:100				
Americas	67:100	67:100	64:100				
Global	61:100	58:100	58:100				

Key performance indicators

Items	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/SASB
Gender pay gap (ratio of the basic salary and remuneration of women to that of men), by employment role in significant locations [43,44]							
Shajing and Jiangmen, China							
Manufacturing operators	**101:100**	101:100					
Technicians and other operational and administrative support	**92:100**	91:100	n/a	n/a	n/a	%	GRI 405-2
Individual contributor/ supervisory	**84:100**	83:100					
Managerial	**91:100**	87:100					
Niš, Serbia							
Manufacturing operators	**101:100**	101:100					
Technicians and other operational and administrative support	**90:100**	90:100	n/a	n/a	n/a	%	GRI 405-2
Individual contributor/ supervisory	**82:100**	81:100					
Managerial	**93:100**	89:100					
Zacatecas, Mexico							
Manufacturing operators	**100:100**	100:100					
Technicians and other operational and administrative support	**82:100**	81:100	n/a	n/a	n/a	%	GRI 405-2
Individual contributor/ supervisory	**83:100**	85:100					
Managerial	**91:100**	84:100					
Hong Kong SAR							
Technicians and other operational and administrative support	**93:100**	94:100	n/a	n/a	n/a	%	GRI 405-2
Individual contributor/ supervisory	**98:100**	98:100					
Managerial	**92:100**	92:100					
Total number of allegation cases related to discrimination [45]							
Raised and under review and investigation	**1**	2	0	0	n/a	no.	GRI 406-1
Closed with remediation plans being implemented	**1**	0	0	0			
Withdrawn	**0**	0	0	0			

n/a: not available due to the corresponding indicators being newly introduced.

40. The number of employees was recorded as of March 31. There were no significant fluctuations in employee numbers during the reporting period or between reporting periods. Contingent workers are individuals who are not employees but are engaged by third parties to perform services for our company, functioning much like employees.
41. Managerial positions refer to grade 6 and above with a manager title.
42. Senior management positions refer to grade 4 and above with a director title.
43. Formula of gender pay gap = (average base salary of female employees/average base salary of male employees) x 100%.
44. Significant locations are defined as our largest manufacturing sites in each region and our Hong Kong SAR headquarters.
45. Cases reported through our whistle-blower hotline.

Employees – Talent attraction and retention

Items	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/SASB
Turnover rate [46,47]	38.1	46.1	62.1	n/a	n/a	%	B1.2
By gender							
Male	42.8	50.6	71.7	n/a	n/a	%	B1.2
Female	30.7	39.0	48.5				
By region							
Asia	45.3	55.7	77.1	n/a	n/a	%	B1.2
EMEA	21.9	19.9	30.0				
Americas	23.7	32.6	37.8				
By age							
Under 30 years old	94.4	104.0	142.4	n/a	n/a	%	B1.2
30 – 50 years old	28.4	36.3	49.1				
Over 50 years old	15.1	14.8	18.8				
By employment role							
Manufacturing operators	62.0	74.3	n/a	n/a	n/a	%	B1.2
Technicians and other operational and administrative support	14.3	11.9					
Individual contributor/ supervisory	11.8	13.9					
Managerial	9.6	11.2					
Percentage of total eligible employees who received a regular performance and career development review [48]	100	100	100	100	n/a	%	GRI 404-3

n/a: not available due to the corresponding indicators being newly introduced.

46. Employees who leave voluntarily or due to dismissal, retirement, or death in service.
47. Our turnover rate is calculated as the number of employees who left the company divided by the average total workforce in the relevant category at the beginning and end of the year. Our turnover rate by gender excludes contingent workers.
48. Eligible employees include technicians and other operational and administrative support, individual contributor/supervisory and managerial categories. Processes for operators depend on local practices including collective bargaining agreements and typical market practices.

Key performance indicators

Employees – Training and Development

Items	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/SASB
Total training hours [49, 51]	115,008	114,721	151,192	179,000	114,000	hours	GRI 404-1, B3.1
Percentage of employees who received training [51]	96.7	53.2 [50]	43.4	32.0	35.9	%	GRI 404-1, B3.1
By gender							
Male	95.2	55.0 [50]	44.7	32.4	n/a	%	GRI 404-1, B3.1
Female	99.1	50.3 [50]	41.5	31.3	n/a		
By employment role							
Manufacturing operators	93.5	39.9 [50]	29.8	21.9	24.6	%	GRI 404-1, B3.1
Technicians and other operational and administrative support	99.3	56.0	73.8	33.2	48.9		
Individual contributor/ supervisory	100	97.9	33.0	65.4	56.2		
Managerial	100	100	100	100	100		
Average training hours per employee [51]	3.7	3.4 [50]	4.3	4.7	2.9	hours	GRI 404-1, B3.2
By gender							
Male	3.8	3.4 [50]	4.9	5.5	n/a	hours	GRI 404-1, B3.2
Female	3.5	2.8 [50]	3.2	3.4	n/a		

Items	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/SASB
By employment role							
Manufacturing operators	1.6	1.5 [50]	2.7	4.0	1.9	hours	GRI 404-1, B3.2
Technicians and other operational and administrative support	4.0	3.6	7.9	4.0	3.7		
Individual contributor/ supervisory	9.8	8.7	3.7	7.1	5.9		
Managerial	9.3	8.7	8.1	13.6	8.0		
Percentage of employees trained, by employment role and by selected training topics [51]							
Manufacturing operators							
Environmental issues	0.7	n/a	n/a	n/a	n/a	%	
Health and safety	14.1						
All other employees [52]							
Environmental issues	5.0	n/a	n/a	n/a	n/a	%	
Health and safety	29.4						
Diversity, equity and inclusion	9.3						
Governance and oversight	96.8						

n/a: not available due to the corresponding indicators being newly introduced.

49. Starting in FY24/25, we have included training data from operating sites in Changchun, Chengdu, Shanghai Malu, Yantai and Zhengzhou in China.
50. Excludes group training on ethics delivered to "Other employees" (manufacturing operators).
51. Excludes on-the-job training which is not tracked in our learning management system.
52. All other employees refer to technicians and other operational and administrative support, individual contributor/supervisory and managerial positions.

Employees – Communication

Items	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/SASB
Biennial employee engagement survey (MARBLE Snapshot survey) response rate [53]	–	82	–	76	–	%	
Biennial employee engagement survey (MARBLE Snapshot survey) engagement index [53]	–	72	–	70	–	%	

53. The next biennial employee engagement survey will be conducted in FY25/26.

Employees – Labour rights

Items	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/SASB
Child labour cases identified or reported by whistle-blower hotline	0	n/a	n/a	n/a	n/a	no.	
Forced labour cases identified or reported by whistle-blower hotline	0	n/a	n/a	n/a	n/a	no.	

n/a: not available due to the corresponding indicators being newly introduced.

Communities – Community engagement

Items	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/SASB
Percentage of operations that have implemented local community engagement, impact assessments, and/or development programs [54]	100	100	100	100	n/a	%	GRI 413-1

n/a: not available due to the corresponding indicators being newly introduced.

54. Our JEnerations community engagement initiative is in place at all our operating sites.

Trust and Transparency – Corporate governance

Items	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/SASB
The Board of Directors							
Executive directors	2	2	2	2	3	no.	
Non-executive directors	9	10	9	9	8		
Individuals within the organization's governance bodies, by gender							
Male	64	67 [55]	64	73	73	%	GRI 405-1
Female	36	33 [55]	36	27	27		
Individuals within the organization's governance bodies, by age group							
Under 30 years old	0	0	0	0	0	%	GRI 405-1
30 – 50 years old	18	17 [55]	9	9	9		
Over 50 years old	82	83 [55]	91	91	91		
Percentage of independent board members	55	58	55	55	55	%	

55. Revised due to calculation error.

Key performance indicators

Trust and Transparency – Ethics

Items	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/SASB
Entities assessed for risks related to financial reporting, operational efficiency and effectiveness and compliance [56]	21	23 [56]	n/a	n/a	n/a	no.	GRI 205-1
Percentage by headcount	70	79				%	
Total number of employees that have received training on anti-corruption	27,963	25,785	5,990	1,389	n/a	no.	GRI 205-2
Percentage of employees that have received training on anti-corruption [57]	89.7	75.6	16.8	3.6	n/a	%	GRI 205-2
By employee risk category and training delivery method							
At-risk employees [58] (excluding managers) Online training	100	34.0					
Managers Online training	97.6	7.2	n/a	n/a	n/a	%	GRI 205-2
All other employees Online training	97.4	26.1					
Group training	87.2	88.4					
By employment role							
Manufacturing operators	85.0	0.7 [59]	0.1	0.2			
Technicians and other operational and administrative support	96.2	7.2 [59]	42.4	2.4			
Individual contributor/ supervisory	93.4	17.6 [59]	27.9	16.7	n/a	%	GRI 205-2
Managerial	97.6	7.2 [59]	100	36.1			

Key performance indicators

Items	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/SASB
By region							
Asia	88.0	4.5 [59]	14.2	3.6			
EMEA	95.8	4.3 [59]	28.3	3.1	n/a	%	GRI 205-2
Americas	92.1	6.0 [59]	17.3	4.5			
Percentage of employees that have received training on anti-corruption (rolling 2-year training cycle)	91.0	21.9 [59]	18.1	n/a	n/a		
Total number and percentage of governance body members that have been informed of and trained on the organization's anti-corruption policies and procedures [57]							
Board							
Executive directors	2 (100)	0 (0)	2 (100)				
Non-executive directors	9 (100)	8 (80) [60]	9 (100)	n/a	n/a	no. (%)	GRI 205-2
Executive Committee (excluding executive directors)	7 (100)	0 (0)	7 (100)				
Whistle-blower reporting rate [61]	1.2	0.7 [61]	n/a	n/a	n/a	no. of reports per 1,000 employees	

Items	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/SASB
Confirmed incidents of corruption	3	7	n/a				
In which employees resigned, were dismissed or disciplined for corruption	3	7	3	n/a	n/a	no.	GRI 205-3
When contracts with suppliers were terminated or not renewed due to violations related to corruption	0	6	n/a				
Legal cases regarding corrupt practices							
Brought against Johnson Electric	0	0	0	0	0	no.	GRI 205-3
Brought against employees	1	0	1	0	0		
Concluded	1 [62]	0	0	0	0	no.	GRI 205-3, B7.1

n/a: not available due to the corresponding indicators being newly introduced.

56. Corruption risks are addressed as part of Internal Audit's review and testing of controls (including embedded business conduct and anti-corruption controls) over various operations and activities and the evaluation of their adequacy and effectiveness and the degree of compliance. We also prepare a top-down risk review that covers 100% of the Group's operations. We modified the indicator name to count by entities instead of sites, resulting in the FY23/24 disclosed figure being updated to 23 entities instead of 12 sites.
57. Our ethics training program is conducted every two years.
58. At-risk employees (excluding managers) includes: 1) All employees under human resources except environment, health and safety team, marketing and communications and project managers; 2) all employees under supply chain services except project managers; 3) all other employees with job title containing "buyer", "sales", "key account manager" or "business development".
59. Excludes group training for the manufacturing operators.
60. Revised due to calculation error.
61. Whistle-blower reporting rate = number of whistle-blower reports/(number of employees/1,000). Whistle-blower reports include those submitted through the whistle-blower hotline, direct reports to management or the internal audit department, or those discovered by management or the internal audit department. Figure for FY23/24 has been revised to include the full year of data.
62. Refers to the case happened in FY16/17 that one former employee was charged by the Hong Kong Independent Commission Against Corruption ("ICAC") with concealing a conflict of interest. Johnson Electric had earlier reported the incident to the ICAC and rendered full assistance to the investigation. The court case has been concluded for a sentence of 4.5 years in prison.

Key performance indicators

Trust and Transparency – Compliance

Items	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/SASB
Significant instances of non-compliance with laws and regulations	0	0	0	0	n/a	cases	GRI 2-27
Total amount of monetary losses resulting from legal proceedings associated with anti-competitive behaviour regulations	0	0	0	0	n/a	US$ million	TR-AP-520a.1
Legal and regulatory actions related to anti-competitive behaviour, anti-trust, and monopoly practices	0	0	0	0	n/a	cases	GRI 206-1

n/a: not available due to the corresponding indicators being newly introduced.

Trust and Transparency – Data protection

Items	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/SASB
Entities with TISAX certificate	8	3	0	0	0	no.	
Percentage by total number of employees	58	2	0	0	0	%	

Trust and Transparency – Supply chain

Items	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/SASB
Percentage of suppliers by region [63]							
Asia	42	40	40	42	42		
EMEA	36	40	40	37	37	%	B5.1
Americas	22	20	20	21	21		
Proportion of spending on local suppliers [64]							
Asia	90	85	84	95			
EMEA	88	88	88	83	n/a	%	GRI 204-1
Americas	81	83	84	85			
Total number and percentage of suppliers to whom the organization's anti-corruption policies and procedures have been communicated/who have acknowledged our Supplier Code of Conduct, by region [65]							
Asia	975 (89)	831 (74)	721 (69)	673 (59)			
EMEA	323 (59)	295 (56)	303 (39)	270 (43)			
Americas	506 (100)	535 (77)	387 (81)	495 (95)	n/a	no. (%)	GRI 205-2
Total	1,804 (84)	1,661 (71)	1,411 (61)	1,438 (63)			

Key performance indicators

Items	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/SASB
Number of suppliers assessed for environmental impacts [66]	366	291	289	200	n/a	no.	GRI 308-2, B5.2
Number of suppliers assessed for social impacts [66]	366	291	289	200	n/a	no.	GRI 414-2, B5.2
Percentage of suppliers for which information regarding conflict minerals is available [67]	95	n/a	n/a	n/a	n/a	%	
Number of supplier on-site audits that have been performed by region [68]							
Asia	2						
EMEA	3						
Americas	7	n/a	n/a	n/a	n/a	no.	
Total	12						
Supplier renewable electricity use weighted by spending [69]	11	n/a	n/a	n/a	n/a	%	
Bottom 10% suppliers in the previous year's social assessment							
Improved [70]	13						
Eliminated [70]	2	n/a	n/a	n/a	n/a	no.	
Bottom 10% suppliers in the previous year's environmental assessment							
Improved [70]	13						
Eliminated [70]	1	n/a	n/a	n/a	n/a	no.	
Percentage of targeted employees across all locations who have received training on sustainable procurement [71]	90	n/a	n/a	n/a	n/a	%	
Training hours of targeted employees on supply chain sustainability [71]	235	n/a	n/a	n/a	n/a	hours	
Training hours of suppliers on sustainability	69	n/a	n/a	n/a	n/a	hours	

n/a: not available due to the corresponding indicators being newly introduced.

63. Data was recorded as of December 31. Data from Changchun, Chengdu, Shanghai Malu and Nanjing has been added to FY24/25 calculation. However, due to limited resources and manual collection, data from Yokneam in Israel has not been collected at the time of reporting.
64. Data was recorded as of December 31. Proportion of spending on local suppliers is calculated by number of regionally based suppliers divided by total number of suppliers in the region. Data from Changchun, Chengdu, Shanghai Malu and Nanjing data has been added to FY24/25 calculation. However, due to limited resources and manual collection, data from Yokneam in Israel has not been collected at the time of reporting.
65. Data was recorded as of December 31. Data from Wuxi, Nanjing, Beijing, Canada and South Korea has been newly added in FY24/25. However, due to limited resources and manual collection, data from Yokneam in Israel was not included.
66. Refers to the number of suppliers invited to complete our suppliers ESG assessment.
67. Refers to the suppliers' CMRT completion rate.
68. Supplier sustainability on-site audit program started in FY24/25.
69. Formula = procurement spending of assessed suppliers in the ESG assessment using renewable electricity x their percentage of renewable electricity/total procurement spending from key suppliers globally x 100%. Our target is to reach 100% direct material spending with key suppliers using renewable electricity by 2050. Key suppliers are those within the ESG assessment scope as defined by our sustainable procurement guidelines (as determined by commodity sustainability priority and spending level).
70. "Improved" refers to the assessed suppliers who were in the bottom 10% in last year's assessment but are no longer in that category in this year's assessment. "Eliminated" refers suppliers who have been terminated for any reasons.
71. Targeted employees are defined as supply chain employees across all locations who are required to complete training on sustainable procurement.

Appendix 1: Sustainable Development Goals

Johnson Electric uses the United Nations Sustainable Development Goals as a framework for our sustainability strategy.

In 2015, the United Nations ("UN") adopted 17 Sustainable Development Goals ("SDGs") to protect the planet and ensure prosperity for all. We monitor the alignment of our business strategies with the SDGs and consider the actual and potential impacts (both positive and negative) of our current activities and scope of business. We also assess which of these goals are most important to our stakeholders in their interactions with Johnson Electric. This informs how we define our priorities.

Core SDGs

We have prioritized three core SDGs where we believe we can and make the greatest impact. These goals are closely aligned with our product, people, and manufacturing strategies. Our core SDGs are:

- SDG 8: Decent Work and Economic Growth
- SDG 9: Industry, Innovation and Infrastructure
- SDG 12: Responsible Consumption and Production

Supporting SDGs

We have also identified five supporting SDGs that give further focus to our activities. Efforts to achieve these goals will also contribute towards success with our core SDGs. These supporting SDGs are:

- SDG 3: Good Health and Well-being
- SDG 4: Quality Education
- SDG 11: Sustainable Cities and Communities
- SDG 13: Climate Action
- SDG 17: Partnerships for the Goals

We do not report on our progress towards the other nine SDGs. Although efforts towards these may contribute to success with our core SDGs and supporting SDGs, they do not provide the same opportunity for us to make an impact on a global level.

Strategies and goals

The Social Impact and Sustainability Committee considers the UN SDGs when developing sustainability strategies for the business. Performance targets based on sustainability goals have been incorporated into how we determine eligible individual annual incentive pay, including for the executive management team.

The specific targets set by the core and supporting SDGs most relevant to Johnson Electric's current activities and business scope, and our related strategies, are set out in the following pages.

Core SDGs

SDG 8 Decent Work and Economic Growth

We find significant alignment between our purpose to improve the quality of life of everyone we touch through our innovative motion systems and the targets of SDG 8. At its heart, our people strategy aims to inspire our employees to grow, act with ownership and find meaning and fulfilment in the work they do.

Relevant targets set by SDG 8	Related strategies	Section of our report
8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation	We are introducing advanced manufacturing technologies to achieve higher levels of productivity and sustainability by design.	Products
8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation	In cooperation with our customers, we are strengthening the development of lower carbon and sustainable products by design. As a technology leader for lightweight, high-power-density motion solutions, we provide energy-efficient products that enable electrification, reduce emissions, have a longer working life and require fewer resources in their manufacture. We believe one of the best ways to achieve this is by using a product carbon footprint ("PCF") and life cycle assessment ("LCA") approach to make appropriate business decisions, prioritize, and assess opportunities to create added value across the product life cycle. Our ambition is to develop all new products with an optimized, best-in-class LCA/PCF.	Products

Appendix 1: Sustainable Development Goals

Relevant targets set by SDG 8	Related strategies	Section of our report
8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	We inspire our employees to grow and find fulfilment and meaning in the work they do. We are committed to respecting the labour and human rights of all our employees and providing a safe workplace in which the dignity of each individual is respected. Our business thrives on the diversity of our people and their ideas. Our Diversity, Equity and Inclusion ("DE&I") policy sets out our commitment to develop a diverse workforce and inclusive culture. Our employees are entitled to respectful and equal treatment in the workplace, independent of their age, disability, marital status, race or colour, national origin, veteran status, religion, gender or sexual orientation. Our global DE&I committee is responsible for our DE&I roadmap. Our recruitment process is fair and non-discriminatory. We hire at competitive and fair levels based on role and experience, regardless of gender, and we maintain a global compensation structure to ensure competitive pay levels and benefits in every market in which we operate. For entry-level positions, remuneration and benefits comply with or exceed the minimum legal limits for the country of employment.	Employees
8.6 Substantially reduce the proportion of youth not in employment, education or training	In China, India and Mexico, the Johnson Electric Technical College ("JETC") provides a pathway for underprivileged youth to choose engineering as a viable career option and join our workforce upon graduation. JETC provides a mix of general and technical education over a three-year course. We operate a similar scheme in Niš, Serbia, working hand-in-hand with a local technical school. Johnson Electric also partners with schools and universities to support the provision of high-quality technical and vocational education, and offers internships and apprenticeships to young people as a route to employment.	Communities
8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms	We are committed to the abolition of child labour and the elimination of all forms of forced or compulsory labour. We take practical measures to prevent this in our own factories and embed this requirement in our relationships with suppliers.	Employees, Trust and Transparency
8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	We are committed to respecting the labour and human rights of all our employees and to providing a safe and secure working environment in which the dignity of every individual is respected. This requirement is embedded in all relationships with suppliers. We have also embedded employee safety in our operations model and require every Johnson Electric factory to apply our health and safety standards.	Employees, Trust and Transparency

Core SDGs

SDG 9 Industry, Innovation and Infrastructure

Our product and manufacturing strategies are closely aligned to the goals of SDG 9. We invest significantly in innovation to develop unique motion solutions to customer problems. Our manufacturing strategy aims to introduce advanced resource and energy-efficient manufacturing technologies while localizing internal and external supply chains for our factories in Asia, Middle East, Europe, North America, and South America, so as to strengthen in-region fulfilment capabilities.

Relevant targets set by SDG 9	Related strategies	Section of our report
9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	We are introducing advanced resource and energy-efficient manufacturing technologies to our factories. We have also implemented a green plant checklist initiative to support a more structured approach to identifying opportunities to improve environmental performance. Topics covered include renewable energy, energy efficiency, water conservation, material conservation and recycling and waste reduction. 100% of our manufacturing sites are ISO 14001 certified and 53% of entities by energy consumption are ISO 50001 certified. In FY24/25, we used 83% renewable electricity, up from 53% last year.	Environment

Relevant targets set by SDG 9	Related strategies	Section of our report
9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries	We innovate and develop technical capabilities to provide unique solutions to our customers' problems. We are introducing advanced resource and energy-efficient manufacturing technologies to our factories, including sites in developing countries.	Products
9.7 Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities	We are reshaping our operating footprint to bring us within closer proximity to our customers, building up the capabilities of our factories in several developing countries, and supporting this by localizing supply chains.	Products

Core SDGs

SDG 12 Responsible Consumption and Production

Supporting responsible consumption is one of the key drivers of our product strategy. We offer lightweight, high-power-density motion solutions at an attractive price, and many of our products directly reduce emissions and improve energy efficiency for our customers. In our factories, we seek to minimize waste and prevent environmental harm from our production processes.

Relevant targets set by SDG 12	Related strategies	Section of our report
12.2 By 2030, achieve the sustainable management and efficient use of natural resources	As a technology leader for lightweight, high-power-density motion solutions, we provide attractively priced products that enable electrification, reduce emissions, improve energy consumption, have a longer working life and require fewer resources in their manufacture. We take a systematic approach to resource and energy-efficient production. We are exploring ways to increase our involvement in the circular economy.	Products
	We have maintained our global target of zero waste to landfill and set continuous improvement targets for reducing waste, water consumption and improving energy efficiency.	Environment
12.4 Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment	We design environmentally friendly products and processes. Some of our products enable the complete replacement of the internal combustion engine, while others reduce harmful engine emissions.	Products
	We have maintained our global target of zero waste to landfill and set continuous improvement targets for reducing waste, water consumption and monitoring emissions by site, assuring 100% compliance and prioritizing reduction or elimination.	Environment

Relevant targets set by SDG 12	Related strategies	Section of our report
12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	We reduce customers' waste generation by designing products that have a longer working life.	Products
	We set continuous improvement targets for reducing and recycling waste from our own production processes, reusing materials wherever economically or technically feasible, and otherwise selling them for offsite recycling.	Environment
12.6 Encourage companies to adopt sustainable practices and integrate sustainability information into their reporting cycle	We monitor our sustainability performance through regular management reporting, publish an annual Sustainability Report, disclose information on the Johnson Electric website, and work with several rating agencies such as CDP and EcoVadis.	Trust and Transparency

Supporting SDGs

SDG 3 Good Health and Well-being

Promoting good health and wellbeing contributes to the success of our core SDGs. We protect the health of end users through innovations in the medical and automotive safety fields, which supports certain innovation-related goals in SDG 9: Industry, Innovation and Infrastructure. We safeguard employee wellbeing by managing workplace health and safety risks, enhancing our efforts to provide a safe and secure working environment for all workers in line with the goals of SDG 8: Decent Work and Economic Growth.

Relevant targets set by SDG 3	Related strategies	Section of our report
3.4 Reduce premature mortality from non-communicable diseases through prevention and treatment and promote mental health and wellbeing	We design and deliver innovative technology solutions for improved patient wellbeing and better clinical outcomes.	Products
3.6 Halve the number of global deaths and injuries from road traffic accidents	We meet demand for better road safety with products that support active and passive vehicle safety applications.	Products
3.9 Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination	We ensure our products are free from harmful chemicals.	Products
	We deploy the necessary resources to protect employees' health and safety from hazardous chemicals and processes and to prevent pollution.	Employees

Supporting SDGs

SDG 4 Quality Education

Our support for quality education in science, technology, engineering and mathematics ("STEM") subjects adds focus to our efforts to create Decent Work and Economic Growth, as required by SDG 8. We seek to provide a pathway for young people to gain the technical and vocational skills to choose engineering as a career.

Relevant targets set by SDG 4	Related strategies	Section of our report
4.3 Ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university	JETC, operating in China and Mexico, assists underprivileged youth by providing a mix of general and technical education over a three-year full-time residential program. We employ similar educational concepts in Niš, Serbia, working hand-in-hand with a local technical school.	Communities
4.4 Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	We also partner with schools and universities to support the provision of quality technical and vocational education. Our Junior Engineer program encourages children to have an interest in STEM subjects and allows all employees to become involved in educational outreach to the community. We offer internships and apprenticeships to young people as a route to employment.	

Supporting SDGs

SDG 11 Sustainable Cities and Communities

Our efforts to enable cleaner transportation and more sustainable homes and buildings add additional focus to our efforts towards meeting the goals of SDG 12: Responsible Consumption and Production, as do our efforts to minimize the environmental impact of our factories.

Relevant target set by SDG 11	Related strategies	Section of our report
11.6 Reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	We enable cleaner transportation through products that enable hybrid and all-electric vehicles to supplant conventional internal combustion engine vehicles, as well as products that reduce emissions from internal combustion engines. We offer a wide variety of solutions for more sustainable homes and buildings, including heating and ventilation systems, window automation and smart-meter applications.	Products
	We seek to drive down the cost of environmentally friendly products so as to enable wider adoption of these technologies. We encourage customers to switch to products that use fewer resources in their manufacture and last longer, thereby reducing waste.	Products
	We minimize the environmental impact of our factories, including air quality, waste reduction and waste management.	Environment

Supporting SDGs

SDG 13 Climate Action

Developing innovative climate-friendly products that reduce emissions and energy consumption directly supports our efforts towards the goals set by SDG 9: Industry, Innovation and Infrastructure and SDG 12: Responsible Consumption and Production. Our manufacturing strategy also supports these goals by seeking to reduce carbon emissions from our operations.

Relevant targets set by SDG 13	Related strategies	Section of our report
13.2 Integrate climate change measures into policies, strategies, and planning	We integrate climate change measures into our policies by setting science-based targets for Scope 1, 2, and 3 emissions, increasing renewable energy use, and enhancing energy efficiency. We use product carbon footprint and life cycle assessment methodologies to innovate sustainable products. We also conduct supplier sustainability assessments and audits, achieved zero waste to landfill, reduced water withdrawal intensity, and fostered a sustainability culture among employees. Our sustainability reporting aligns with global standards, and we continuously innovate to develop products that contribute to planetary sustainability.	Products, Environment, Trust and Transparency
13.3 Improve education and awareness-raising on climate change mitigation, adaptation, impact reduction and early warning	Our high-precision components for the automotive industry perform mission-critical functions in hybrid and all-electric vehicles. We provide solutions that reduce electricity consumption for hundreds of industrial, professional and consumer products and appliances. We also enable the complete replacement of the internal combustion engine for several outdoor and mobility applications.	Products

Appendix 1: Sustainable Development Goals

Supporting SDGs

SDG 17 Partnerships for the Goals

Partnership underpins all our efforts towards our core SDGs and supporting SDGs. We are part of a complex web, working together with our customers, suppliers, employees, and the governments and communities where we operate to achieve the Sustainable Development Goals.

Relevant targets set by SDG 17	Related strategies	Section of our report
17.7 Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed	We innovate and develop technical capabilities to provide unique solutions to our customers' problems, including in developing countries. We are introducing advanced resource and energy-efficient manufacturing technologies to our factories, including our factories in developing countries.	Products Environment
17.9 Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the Sustainable Development Goals	We are progressively expanding our operating footprint with factories in 22 countries, including nine developing countries. All Johnson Electric factories are required to operate according to our standards for environmental and health and safety management, human and labour rights protection, and corporate governance.	Products, Environment, Employees, Trust and Transparency
17.11 Significantly increase the exports of developing countries	We have several factories in developing countries and contribute towards the exports of Argentina, Brazil, China, Hungary, India, Mexico, Poland, Serbia and Türkiye.	Products
17.16 Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries	Johnson Electric actively engages with customers, employees, suppliers and communities around the world to fulfil shared sustainability goals. These include responsible consumption and production, climate action, sustainable cities and communities, good health and wellbeing and quality education. Our employees are especially proactive in organizing regular community outreach activities to engage with and support the local communities in which we operate. Our place in this global partnership is expressed through our purpose statement and promises.	Environment, Employees, Communities, Trust and Transparency Introduction

Appendix 2: HKEX ESG Reporting Code

Mandatory disclosure requirements

Requirements		Sections/notes	Page no.
Governance structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Trust and Transparency – Corporate governance	Page 99-108
Reporting Principles	**Materiality:** The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. **Quantitative:** Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. **Consistency:** The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	Materiality: Trust and Transparency – Corporate governance Quantitative: Environment – Energy and climate, Key performance indicators, About this report Consistency: There has been no significant change to the methods or KPIs used. Exceptions in the calculation of the KPIs have been stated in the footnotes of the "Key performance indicators" section.	Page 99-108 Page 42-52, 125-153,197
Reporting boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and the reason for the change.	About this report	Page 197

Appendix 2: HKEX ESG Reporting Code

Subject areas, aspects, general disclosures and KPIs

A. Environmental

Aspects A1: Emissions		Sections/notes	Page no.
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas ("GHG") emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environment	Page 38-59
KPI A1.1	The types of emissions and respective emissions data.	Environment – Energy and climate, Emissions, Key performance indicators	Page 42-52, 59, 125-153
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity.	Environment – Energy and climate, Key performance indicators	Page 42-52, 125-153
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Environment – Waste, Key performance indicators	Page 53-55, 125-153
KPI A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity.	Environment – Waste, Key performance indicators	Page 53-55, 125-153
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environment – Energy and climate	Page 42-52
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environment – Waste	Page 53-55
Aspects A2: Use of resources			
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environment	Page 38-59
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity.	Environment – Energy and climate, Key performance indicators N.B. We disclose energy consumption in GJ.	Page 42-52, 125-153
KPI A2.2	Water consumption in total and intensity.	Environment – Water, Key performance indicators	Page 56-58, 125-153
Aspects A2: Use of resources			
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environment – Energy and climate	Page 42-52
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environment – Water	Page 56-58
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Key performance indicators NB. We disclose total spending on packaging materials instead of weight of packaging materials for finished goods.	Page 125-153
Aspects A3: The environment and natural resources			
General disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Environment	Page 38-59
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment	Page 38-59
Aspects A4: Climate change			
General disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Environment – Energy and climate	Page 42-52
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Assessment in progress	

Appendix 2: HKEX ESG Reporting Code

B. Social – Employment and labour practices

Aspect B1: Employment		Sections/notes	Page no.
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employees	Page 60-87
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Key performance indicators	Page 125-153
KPI B1.2	Employee turnover rate, by gender, age group and geographical region.	Key performance indicators	Page 125-153
Aspect B2: Health and safety			
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to providing a safe working environment and protecting employees from occupational hazards.	Employees – Health and safety	Page 63-75
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Employees – Health and safety, Key performance indicators	Page 63-75, 125-153
KPI B2.2	Lost days due to work injury.	Key performance indicators	Page 125-153
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Employees – Health and safety	Page 63-75
Aspect B3: Development and training			
General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employees – Training and development	Page 80-81
KPI B3.1	The percentage of employees trained by gender and employee category.	Key performance indicators	Page 125-153
KPI B3.2	The average training hours completed per employee by gender and employee category.	Key performance indicators	Page 125-153

Aspect B4: Labour standards			
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employees – Labour rights, Trust and Transparency – Ethics	Page 85-87, 109-115
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.		
KPI B4.2	Description of steps taken to eliminate such practices when discovered.		

B. Social – Operating practices

Aspect B5: Supply chain management		Sections/notes	Page no.
General disclosure	Policies on managing environmental and social risks of the supply chain.	Trust and Transparency – Supply chain	Page 119-124
KPI B5.1	Number of suppliers by geographical region.	Key performance indicators NB. We use the percentage of the supplier in each geographical region as an indicator, to achieve a more accurate representation of supplier distribution	Page 125-153
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Trust and Transparency – Supply chain, Key performance indicators	Page 119-124, 125-153
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Trust and Transparency – Supply chain	Page 119-124
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Trust and Transparency – Supply chain	Page 119-124

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Aspect B6: Product responsibility			
General disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Products – Product quality and products safety	Page 31-34
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Key performance indicators	Page 125-153
KPI B6.2	Number of product – and service-related complaints received and how they are dealt with.	Products – Product quality and product safety, Key performance indicators	Page 31-34, 125-153
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Trust and Transparency – Corporate governance, Compliance	Page 99-108, 116
KPI B6.4	Description of quality assurance process and recall procedures.	Products – Product quality and product safety	Page 31-34
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Trust and Transparency – Data protection	Page 117-118
Aspect B7: Anti-corruption			
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Trust and Transparency – Corporate governance, Ethics, Compliance	Page 99-116
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Trust and Transparency – Ethics, Key performance indicators	Page 109-115, 125-153
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Trust and Transparency – Ethics	Page 109-115
KPI B7.3	Description of anti-corruption training provided to directors and staff.		

B. Social – Community

Aspect B8: Community Investment		Sections/notes	Page no.
General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Communities	Page 88-95
KPI B8.1	Focus areas of contribution.		
KPI B8.2	Resources contributed to the focus area.		

Appendix 3: GRI Standards

Statement of use	Johnson Electric has reported the information cited in this GRI content index for the period 1 April 2024 to 31 March 2025 in accordance with the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure		Sections/notes	Page no.
General Disclosures				
The organization and its reporting practices				
GRI 2: General Disclosures 2021	2-1	Organizational details	Annual Report 2024/25: Consolidated Financial Statements	Annual Report 2024/25 page 103-209
	2-2	Entities included in the organization's sustainability reporting	About this report, Annual Report 2024/25: Consolidated Financial Statements	Page 197; Annual Report 2024/25 page 103-209
	2-3	Reporting period, frequency and contact point	About this report	Page 197
	2-4	Restatements of information	Figures revised to correct errors: • Other non-renewable energy consumption in FY22/23 and FY23/24 • Percentage of manufacturing sites certified with ISO 50001 in FY22/23 and FY23/24 • Percentage of manufacturing sites certified with ISO 45001 in FY23/24 • Individuals within the organization's governance bodies, by gender and by age group in FY23/24 • Total number and percentage of the board (non-executive directors) that have been informed of and trained on the organization's anti-corruption policies and procedures in FY23/24 • Whistle-blower reporting rate in FY23/24 Figures revised to supplement previous unavailable data: • Scope 1 – refrigerants in FY22/23 and FY23/24 Updates due to changes in methodologies: • Reduction in carbon emissions (Scope 1 and Scope 2 market-based) as a direct result of reduction initiatives in FY21/22 • Entities assessed for risks related to financial reporting, operational efficiency and effectiveness and compliance in FY23/24 Subsequent data affected by the revision has been adjusted to reflect the correct figures. For more information, please refer to the footnotes in the KPI table.	
	2-5	External assurance	Verification statement	Page 195

Appendix 3: GRI Standards

GRI Standard	Disclosure		Sections/notes	Page no.
General Disclosures				
Activities and workers				
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships	Johnson Electric around the world, Our business, Products, Trust and Transparency – Supply chain	Page 6-9, 20-37, 119-124
	2-7	Employees	Employees, Key performance indicators	Page 60-87, 125-153
	2-8	Workers who are not employees	Key performance indicators NB. Contingent workers (or non-employees) are individuals who are not employees but are engaged by third parties to provide services for our company, functioning much like employees. Both employee and contingent worker headcounts are included in our global and regional headcount analyses, which also include breakdowns by age and gender. However, turnover data pertains only to employees.	Page 125-153
Governance				
GRI 2: General Disclosures 2021	2-9	Governance structure and composition	Annual Report 2024/25: Corporate Governance Report, Trust and Transparency – Corporate governance	Annual Report 2024/25 page 76-89; page 99-108
	2-10	Nomination and selection of the highest governance body	Annual Report 2024/25: Corporate Governance Report	Annual Report 2024/25 page 76-89
	2-11	Chair of the highest governance body	Annual Report 2024/25: Corporate Governance Report	
	2-12	Role of the highest governance body in overseeing the management of impacts	Trust and Transparency – Corporate governance	Page 99-108
	2-13	Delegation of responsibility for managing impacts	Trust and Transparency – Corporate governance	Page 99-108
	2-14	Role of the highest governance body in sustainability reporting	Trust and Transparency – Corporate governance	Page 99-108

GRI Standard	Disclosure		Sections/notes	Page no.
General Disclosures				
Governance				
GRI 2: General Disclosures 2021	2-15	Conflicts of interest	Annual Report 2024/25: Corporate Governance Report	Annual Report 2024/25 page 76-89
	2-16	Communication of critical concerns	Trust and Transparency – Corporate governance	Page 99-108
	2-17	Collective knowledge of the highest governance body	Profile of Directors and Senior Management in the Annual Report 2024/25, Trust and Transparency – Corporate governance	Annual Report 2024/25 page 212-215; Page 99-108
	2-18	Evaluation of the performance of the highest governance body	Annual Report 2024/25: Corporate Governance Report	Annual Report 2024/25 page 76-89
	2-19	Remuneration policies		
	2-20	Process to determine remuneration		
	2-21	Annual total compensation ratio	Currently not disclosed	
Strategy, policies and practices				
GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	Message from the Chairman and Chief Executive, Our approach to sustainability	Page 10-11, 14
	2-23	Policy commitments	Products, Environment, Employees, Communities, Trust and Transparency and Sustainable Development Goals	Page 20-124, 154-162
	2-24	Embedding policy commitments	Products, Environment, Employees, Communities, Trust and Transparency, Sustainable Development Goals and Annual Report 2024/25: Corporate Governance Report	Page 20-124, 154-162; Annual Report 2024/25 page 76-89
	2-25	Processes to remediate negative impacts	Trust and Transparency – Corporate governance, Ethics	Page 99-115

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GRI Standard	Disclosure		Sections/notes	Page no.
General Disclosures				
Strategy, policies and practices				
	2-26	Mechanisms for seeking advice and raising concerns	Trust and Transparency – Ethics	Page 109-115
	2-27	Compliance with laws and regulations	Trust and Transparency – Compliance, Key performance indicator	Page 116, 125-153
	2-28	Membership associations	Currently not disclosed	
Stakeholder engagement				
GRI 2: General Disclosures 2021	2-29	Approach to stakeholder engagement	Trust and Transparency – Corporate governance	Page 99-108
	2-30	Collective bargaining agreements	Employees – Labour rights	Page 85-87
Material Topics				
GRI3: Material Topics 2021	3-1	Process to determine material topics	Trust and Transparency – Corporate governance	Page 99-108
	3-2	List of material topics		
Energy and climate				
GRI 3: Material Topics 2021	3-3	Management of material topics	Environment	Page 38-59
GRI 302: Energy – 2016	302-1	Energy consumption within the organization	Environment – Energy and climate, Key performance indicators NB. We do not have energy consumption for cooling, nor for energy sold from heating, cooling or steam.	Page 42-52, 125-153
	302-2	Energy consumption outside of the organization	Currently not reported as our energy consumption outside the organization is insignificant.	
	302-3	Energy intensity	Environment – Energy and climate, Key performance indicators	Page 42-52, 125-153
	302-4	Reduction of energy consumption		

GRI Standard	Disclosure		Sections/notes	Page no.
General Disclosures				
Energy and climate				
	302-5	Reductions in energy requirements of products and services	Products	Page 20-37
GRI 305: Emissions – 2016	305-1	Direct (Scope 1) GHG emissions	Environment – Energy and climate, Key performance indicators	Page 42-52, 125-153
	305-2	Energy indirect (Scope 2) GHG emissions		
	305-3	Other indirect (Scope 3) GHG emissions		
	305-4	GHG emissions intensity	Key performance indicators	Page 125-153
	305-5	Reduction of GHG emissions	Environment – Energy and climate, Key performance indicators	Page 42-52, 125-153
	305-6	Emissions of ozone – depleting substances (“ODS”)	Key performance indicators	Page 125-153
	305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Environment – Emissions, Key performance indicators	Page 59, 125-153
Waste				
GRI 3: Material Topics 2021	3-3	Management of material topics	Environment – Waste	Page 53-55
GRI 306: Waste – 2020	306-1	Waste generation and significant waste-related impacts		
	306-2	Management of significant waste-related impacts		
	306-3	Waste generated	Environment – Waste, Key performance indicators	Page 53-55, 125-153
	306-4	Waste diverted from disposal		
	306-5	Waste directed to disposal		

Appendix 3: GRI Standards

GRI Standard	Disclosure		Sections/notes	Page no.
General Disclosures				
Water				
GRI 3: Material Topics 2021	3-3	Management of material topics	Environment – Water	Page 56-58
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource		
	303-2	Management of water discharge-related impacts		
	303-3	Water withdrawal	Key performance indicators	Page 125-153
	303-4	Water discharge		
	303-5	Water consumption		
Emissions				
GRI 3: Material Topics 2021	3-3	Management of material topics	Environment – Emissions	Page 59
Sustainable products				
GRI 3: Material Topics 2021	3-3	Management of material topics	Products – Sustainable products	Page 26-29
Product carbon footprint				
GRI 3: Material Topics 2021	3-3	Management of material topics	Products – Product carbon footprint	Page 30
Product quality				
GRI 3: Material Topics 2021	3-3	Management of material topics	Products – Product quality and product safety	Page 31-34
Product safety				
GRI 3: Material Topics 2021	3-3	Management of material topics	Products – Product quality and product safety	Page 31-34
GRI 416: Customer Health and Safety – 2016	416-1	Assessment of the health and safety impacts of product and service categories	Products – Product quality and product safety	Page 31-34
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Products – Product quality and product safety, Key performance indicators	Page 31-34, 125-153

GRI Standard	Disclosure		Sections/notes	Page no.
General Disclosures				
Material management and use				
GRI 3: Material Topics 2021	3-3	Management of material topics	Products – Material management and use	Page 35-37
Health and safety				
GRI 3: Material Topics 2021	3-3	Management of material topics	Employees – Health and safety	Page 63-75
GRI 403: Occupational Health and Safety – 2018	403-1	Occupational health and safety management system		
	403-2	Hazard identification, risk assessment, and incident investigation		
	403-3	Occupational health services		
	403-4	Worker participation, consultation, and communication on occupational health and safety		
	403-5	Worker training on occupational health and safety		
	403-6	Promotion of worker health		
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
	403-8	Workers covered by an occupational health and safety management system	Employees – Health and safety, Key performance indicators	Page 63-75, 125-153
	403-9	Work-related injuries		
	403-10	Work-related ill health		

Appendix 3: GRI Standards

GRI Standard	Disclosure		Sections/notes	Page no.
General Disclosures				
Talent attraction and retention				
GRI 3: Material Topics 2021	3-3	Management of material topics	Employees – Talent attraction and retention	Page 76-79
GRI 202: Market Presence – 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	N.B. Johnson Electric always pays at least the minimum wage for entry level positions, which we define as unskilled entry operators. We have to pay competitive wages in each local market in order to attract and retain capable operators, and we always pay the same entry wage to male and female workers.	
	202-2	Proportion of senior management hired from the local community	N.B. 90% of our top 180 executives are local employees. Local employees are defined as employees holding local nationality, permanent residency, or right to work (such as that based on EU/EEA citizenship). Most non-local executives hold global or regional roles in our corporate or regional headquarter locations. Virtually all members of management in our significant non-corporate/regional headquarter locations consist of local nationals or permanent residents.	
Training and development				
GRI 3: Material Topics 2021	3-3	Management of material topics	Employees – Training and development	Page 80-81
GRI 404: Training and Education – 2016	404-1	Average hours of training per year per employee	Key performance indicators	Page 125-153
	404-2	Programs for upgrading employee skills and transition assistance programs	Employees – Training and development	Page 80-81
	404-3	Percentage of employees receiving regular performance and career development reviews	Key performance indicators	Page 125-153

GRI Standard	Disclosure		Sections/notes	Page no.
General Disclosures				
Diversity, equity and inclusion				
GRI 3: Material Topics 2021	3-3	Management of material topics	Employees – Diversity, equity and inclusion	Page 82-83
GRI 405: Diversity and Equal Opportunity – 2016	405-1	Diversity of governance bodies and employees	Employees – Diversity, equity and inclusion, Key performance indicators	Page 82-83, 125-153
	405-2	Ratio of basic salary and remuneration of women to men	Key performance indicators	Page 125-153
GRI 406: Non-Discrimination – 2016	406-1	Incidents of discrimination and corrective actions taken	Key performance indicators	Page 125-153
Communication				
GRI 3: Material Topics 2021	3-3	Management of material topics	Employees – Communication	Page 84
Labour rights				
GRI 3: Material Topics 2021	3-3	Management of material topics	Employees – Labour rights	Page 85-87
Community engagement				
GRI 3: Material Topics 2021	3-3	Management of material topics	Communities	Page 88-95
GRI 413: Local Communities – 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Communities, Key performance indicators	Page 88-95, 125-153
Corporate governance				
GRI 3: Material Topics 2021	3-3	Management of material topics	Trust and Transparency – Corporate governance	Page 99-108
Ethics				
GRI 3: Material Topics 2021	3-3	Management of material topics	Trust and Transparency – Ethics	Page 109-115

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Appendix 3: GRI Standards

GRI Standard	Disclosure		Sections/notes	Page no.
General Disclosures				
Ethics				
GRI 205: Anti-Corruption – 2016	205-1	Operations assessed for risks related to corruption	Trust and Transparency – Ethics, Key performance indicators	Page 109-115, 125-153
	205-2	Communication and training about anti-corruption policies and procedures		
	205-3	Confirmed incidents of corruption and actions taken		
GRI 206: Anti-Competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		
Compliance				
GRI 3: Material Topics 2021	3-3	Management of material topics	Trust and Transparency – Compliance	Page 116
Data protection				
GRI 3: Material Topics 2021	3-3	Management of material topics	Trust and Transparency – Data protection	Page 117-118
Supply chain				
GRI 3: Material Topics 2021	3-3	Management of material topics	Trust and Transparency – Supply chain	Page 119-124
GRI 204: Procurement Practices – 2016	204-1	Proportion of spending on local suppliers	Key performance indicators NB. Spending on services has not been included as it falls outside the scope of our major business activities.	Page 125-153

GRI Standard	Disclosure		Sections/notes	Page no.
General Disclosures				
Supply chain				
GRI 308: Supplier Environmental Assessment – 2016	308-1	New suppliers that were screened using environmental criteria	N.B. New suppliers must undertake a third-party ESG survey assessment process if they supply commodities that are crucial to our ESG priorities, if supplier ESG assessment is requested by our customers, or if other business considerations apply.	
	308-2	Negative environmental impacts in the supply chain and actions taken	Trust and Transparency – Supply chain, Key performance indicators NB. We are not aware of any negative environmental impacts in our supply chain. A low score in the assessment for the evaluated suppliers does not necessarily indicate a negative impact on the environment. The performance of the suppliers in the ESG assessment can be found in the supply chain chapter and the key performance indicators.	Page 119-124, 125-153
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	N.B. New suppliers must undertake a third-party ESG survey assessment process if they supply commodities that are crucial to our ESG priorities, if supplier ESG assessment is requested by our customers, or if other business considerations apply.	
	414-2	Negative social impacts in the supply chain and actions taken	Trust and Transparency – Supply chain, Key performance indicators NB. We are not aware of any negative social impacts in our supply chain. A low score in the assessment for the evaluated suppliers does not necessarily indicate a negative impact on the society. The performance of the suppliers in the ESG assessment can be found in the supply chain chapter and the key performance indicators.	Page 119-124, 125-153

Appendix 4: SASB Standards

Auto parts (TR-AP)/Industrial machinery and goods (TR-IG)

SASB code	Accounting metric	Sections/notes	Page No.
Energy management			
TR-AP-130a, RT-IG-130a.1	Total energy consumed	Key performance indicators	Page 125-153
	Percentage grid electricity		
	Percentage renewable		
Waste management			
TR-AP-150a.1	Total amount of waste from manufacturing	Key performance indicators	Page 125-153
	Percentage hazardous		
	Percentage recycled		
Product safety			
TR-AP-250a.1	Number of recalls issued; total units recalled	Key performance indicators	Page 125-153
Design for fuel efficiency			
TR-AP-410a.1	Revenue from products designed to increase fuel efficiency and/or reduce emissions	Key performance indicators	Page 125-153
Materials sourcing			
TR-AP-440a.1, RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	Products – Material management and use	Page 35-37
Remanufacturing design & services			
RT-IG-440b.1	Revenue from remanufactured products and remanufacturing service	Not applicable as we do not have remanufactured products nor service	
Materials efficiency			
TR-AP-440b.1	Percentage of products sold that are recyclable	Currently not reported	
TR-AP-440b.2	Percentage of input materials from recycled or remanufactured content		

SASB code	Accounting metric	Sections/notes	Page No.
Employee health and safety			
RT-IG-320a.1	Total recordable incident rate	Key performance indicators	Page 125-153
	Fatality rate		
	Near miss frequency rate		
Fuel economy and emissions in use-phase			
RT-IG-410a.1	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	Not applicable as we do not have such vehicles, equipment, generators nor mentioned engines.	
RT-IG-410a.2	Sales-weighted fuel efficiency for non-road equipment		
RT-IG-410a.3	Sales-weighted fuel efficiency for stationary generators		
RT-IG-410a.4	Sales-weighted emissions of: (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines, and (d) other non-road diesel engines	Not applicable as we do not have such vehicles, equipment, generators nor mentioned engines.	
Competitive behaviour			
TR-AP-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behaviour regulations	Key performance indicators	Page 125-153
Activity metrics			
TR-AP-000.A	Number of parts produced	Currently not reported	
TR-AP-000.B	Weight of parts produced		
RT-IG-000.A	Number of units produced by product category		
TR-AP-000.C	Area of manufacturing plants	Total area of manufacturing plants (including leased and owned) is approximately 1,460,000 m^2 as of March 31, 2025	
RT-IG-000.B	Number of employees	Key performance indicators	Page 125-153

Appendix 5: Certification status

Region: The Americas

Location	Entity	ISO 14001	ISO 45001	ISO 50001	IATF 16949	ISO 9001	ISO 13485	IECQ QC 080000	TISAX	ISO/IEC 17025
Vandalia, USA	Johnson Medtech LLC	✓	✓				✓			
Vandalia, USA	Parlex USA LLC	✓	✓			✓				
Vandalia, USA	Saia-Burgess LLC	✓	✓		✓	✓				
Springfield, USA	Saia-Burgess Automotive Actuators LLC	✓	✓		✓	✓				
Mississauga, Canada	Johnson Electric Canada Ltd., Mississauga Facility	✓			✓					
Mississauga, Canada	Johnson Electric Motion Technology Canada Ltd., Mississauga Facility	✓	✓		✓					
Ancaster, Canada	Johnson Electric Motion Technology Canada Ltd., Ancaster Facility	✓	✓		✓					
Ancaster, Canada	Johnson Electric Canada Ltd., Ancaster Facility	✓			✓					
Stratford, Canada	Johnson Electric Canada Ltd., Stratford Facility	✓			✓					
Buenos Aires, Argentina	M.M.A. (Manufactura de Motores Argentinos) S.r.l.	✓			✓					
Zacatecas, Mexico	Johnson Electric Group Mexico, S.de R.L. de C.V.	✓			✓	✓				
Arujá, Brazil	Johnson Electric Automotivo Brasil Ltda.	✓	✓		✓					

ISO 14001 – Environmental Management Systems (EMS), ISO 45001 – Occupational Health and Safety Management Systems (OH&S), ISO 50001 – Energy Management Systems (EnMS), IATF 16949 – International Automotive Quality Management System (QMS), ISO 9001 – Quality Management Systems (QMS), ISO 13485 – Medical Devices – Quality Management Systems (QMS), IECQ QC 080000 – Hazardous Substance Process Management System (HSPM), TISAX – Trusted Information Security Assessment Exchange, ISO/IEC 17025 – General Requirements for the Competence of Testing and Calibration Laboratories

Region: Europe and the Middle East

Location	Entity	ISO 14001	ISO 45001	ISO 50001	IATF 16949	ISO 9001	ISO 13485	IECQ QC 080000	TISAX	ISO/IEC 17025
Yokneam, Israel	Nanomotion Ltd.	✓				✓				
Izmir, Turkey	Johnson Electric Otomotiv Ürünleri Limited Şirketi.	✓	✓		✓					
Saint Remy	Johnson Electric Saint Remy SAS	✓	✓		✓	✓				
Hirson, France	AML Systems SAS	✓	✓		✓	✓				
Hatvan, Hungary	Johnson Electric Hungary Kft.	✓	✓		✓	✓				
Asti, Italy	Johnson Electric Asti S.r.l.	✓	✓		✓	✓				
Niš, Serbia	Johnson Electric Doo Niš	✓	✓	✓	✓	✓				
Oehringen, Germany	Johnson Electric Oehringen GmbH	✓			✓	✓			✓	
Murten, Switzerland	Johnson Electric International AG	✓	✓		✓	✓				
Będzin, Poland	Johnson Electric Poland Sp. z o.o.	✓	✓		✓	✓				
Aachen, Germany	Johnson Electric Aachen GmbH	✓	✓			✓			✓#	

ISO 14001 – Environmental Management Systems (EMS), ISO 45001 – Occupational Health and Safety Management Systems (OH&S), ISO 50001 – Energy Management Systems (EnMS), IATF 16949 – International Automotive Quality Management System (QMS), ISO 9001 – Quality Management Systems (QMS), ISO 13485 – Medical Devices – Quality Management Systems (QMS), IECQ QC 080000 – Hazardous Substance Process Management System (HSPM), TISAX – Trusted Information Security Assessment Exchange, ISO/IEC 17025 – General Requirements for the Competence of Testing and Calibration Laboratories

Certificates newly obtained in FY24/25

Region: Asia Pacific

Location	Entity	ISO 14001	ISO 45001	ISO 50001	IATF 16949	ISO 9001	ISO 13485	IECQ QC 080000	TISAX	ISO/IEC 17025
Shajing, China	Hwa Sun (Guangdong) Co Ltd	✓	✓	✓	✓	✓			✓#	
Shajing, China	Hwa Sun (Guangdong) Co Ltd Shenzhen 2nd Branch	✓	✓	✓*	✓	✓				
Shajing, China	Johnson Medtech (Shenzhen) Co Ltd	✓	✓	✓*		✓	✓			
Shajing, China	Johnson Electric (Guangdong) Co., Ltd.	✓	✓	✓	✓	✓			✓#	
Shajing, China	Johnson Electric (Shenzhen) Co., Ltd.	✓	✓	✓*						✓
Jiangmen, China	Hwa Sun (Jiangmen) Co Ltd	✓	✓	✓	✓	✓		✓	✓#	
Jiangmen, China	Johnson Electric (Jiangmen) Co Ltd	✓	✓	✓	✓	✓		✓	✓#	
Beijing, China	Johnson Electric (Beijing) Co. Ltd.	✓	✓		✓					
Shanghai, China	Parlex (Shanghai) Electronics Co., Ltd.	✓	✓	✓	✓	✓				
Shanghai, China	Shanghai Malu Ri Yong JEA Gate Electric Co., Ltd.	✓	✓	✓	✓	✓				
Zhengzhou, China	Zhengzhou Ri Yong JEA Gate Electric Co., Ltd.	✓	✓		✓	✓				
Changzhou, China	Johnson Electric Motion Technology (Changzhou) Co. Ltd.	✓	✓		✓	✓				

ISO 14001 – Environmental Management Systems (EMS), ISO 45001 – Occupational Health and Safety Management Systems (OH&S), ISO 50001 – Energy Management Systems (EnMS), IATF 16949 – International Automotive Quality Management System (QMS), ISO 9001 – Quality Management Systems (QMS), ISO 13485 – Medical Devices – Quality Management Systems (QMS), IECQ QC 080000 – Hazardous Substance Process Management System (HSPM), TISAX – Trusted Information Security Assessment Exchange, ISO/IEC 17025 – General Requirements for the Competence of Testing and Calibration Laboratories

* Production area covered by the Energy Management System certificates of Hwa Sun (Guangdong) Co., Ltd, Johnson Electric (Guangdong) Co., Ltd., Hwa Sun (Jiangmen) Co., Ltd and Johnson Electric (Jiangmen) Co., Ltd

\# Certificates newly obtained in FY24/25

Appendix 5: Certification status

Location	Entity	ISO 14001	ISO 45001	ISO 50001	IATF 16949	ISO 9001	ISO 13485	IECQ QC 080000	TISAX	ISO/IEC 17025
Wuxi, China	AML Automotive Active Modules (Wuxi) Co., Ltd.	✓	✓		✓					
Nanjing, China	Johnson Electric Nanjing Co., Ltd.	✓	✓		✓	✓				
Hong Kong SAR	Johnson Electric Industrial Manufactory, Limited	✓	✓		✓	✓			✓	
Hong Kong SAR	Johnson Electric Industrial Manufactory, Limited (Headquarters)	✓	✓		✓	✓			✓	
Changchun, China	Changchun Ri Yong JEA Gate Electric Co., Ltd.	✓	✓		✓	✓				
Chengdu, China	Chengdu Ri Yong JEA Gate Electric Co., Ltd.	✓	✓		✓	✓				
Yantai, China	Yantai Ri Yong JEA Gate Electric Co., Ltd.	✓	✓		✓	✓				
Chennai, India	Johnson Electric Private Limited	✓	✓		✓	✓				
Ochang, South Korea	Johnson Electric Operations Ltd.	✓	✓		✓					

ISO 14001 – Environmental Management Systems (EMS), ISO 45001 – Occupational Health and Safety Management Systems (OH&S), ISO 50001 – Energy Management Systems (EnMS), IATF 16949 – International Automotive Quality Management System (QMS), ISO 9001 – Quality Management Systems (QMS), ISO 13485 – Medical Devices – Quality Management Systems (QMS), IECQ QC 080000 – Hazardous Substance Process Management System (HSPM), TISAX – Trusted Information Security Assessment Exchange, ISO/IEC 17025 – General Requirements for the Competence of Testing and Calibration Laboratories

Appendix 6: List of sustainability related policies

Area	Policy
Products	Product quality and safety policy
Environment	Environment, health and safety policy
	Biodiversity policy
	Global EH&S management system (consisting of 22 core EH&S elements)
Employees	Equal employment opportunity policy
	Work from home policy
	Child labour, forced labour and human trafficking prevention policy
	Compensation and benefit policy
	Freedom of association and right of collective bargaining policy
	Harassment free workplace policy
	My Career in Motion policy
	Learning and talent management policy
	Environment, health and safety policy
	Global EH&S management system (consisting of 22 core EH&S elements)
Trust and transparency	Code of ethics and business conduct
	Anti-bribery policy
	Board diversity policy
	Cybersecurity policy
	Corporate policy for AI software
	Sustainable procurement policy
	Supplier Code of Conduct
	Responsible Minerals Policy
	Supplier terms and conditions

Appendix 7: Glossary

Category	Term	Explanation
General	CDP	CDP is a not-for-profit organization that operates a global disclosure system for companies, cities, states, and regions to manage their environmental impacts.
	EcoVadis	EcoVadis is a global platform that provides sustainability ratings and performance improvement tools for companies. The platform assesses companies' environmental, social, and ethical practices by evaluating their policies, procedures, and performance in areas such as labor practices, human rights, environment, ethics, and sustainable procurement.
	ESG	Environmental, social, and governance
	FTSE4Good Index Series	Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong environmental, social and governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.
	GRI	Global Reporting Initiative
	HKEX	Hong Kong Stock Exchange
	HKQAA	Hong Kong Quality Assurance Agency
	KPI	Key performance indicators
	MARBLE values	The acronym 'MARBLE', which is referenced elsewhere in this report, is derived from the first letter of each of Johnson Electric's core values.
	SVP	Senior Vice President
	SASB	Sustainability Accounting Standards Board
	S&P Global Sustainability Yearbook (China) 2024	The S&P Global Sustainability Yearbook (China) 2024 is a prestigious publication that recognizes 129 Chinese companies for their sustainability efforts. The Corporate Sustainability Assessment by S&P Global is a thorough evaluation process that assesses companies on various sustainability criteria, including environmental, social, and governance (ESG) practices.
	UN SDGs	United Nations Sustainable Development Goals

Appendix 7: Glossary

Category	Term	Explanation
Products	AC	Alternating current
	APG	Our Mobility Segment (Automotive Products Group)
	ANSI	American National Standards Institute
	BEV	Battery electric vehicles
	Cpk	Cpk (process capability index) is used to measure the ability of a process to produce output within the specification limits defined by the customer.
	CSA	Canadian Standards Association
	DC	Direct current
	EC	Electronically commutated
	ELV	End-of-life vehicles
	EPD	Environmental product declaration
	EU Taxonomy	The EU Taxonomy is a classification system developed by the European Union to identify economic activities that contribute to the transition to a sustainable economy. The taxonomy sets out a list of environmentally sustainable economic activities, based on their contribution to six environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems.
	EV	Electric vehicles
	IATF 16949	Global quality management system standard for the automotive industry
	ICE	Internal combustion engine
	IEC	International Electrotechnical Commission

Appendix 7: Glossary

Category	Term	Explanation
Products (Con't)	IECQ QC080000	Hazardous substance process management system for hazardous-substance-free legal and customer requirements
	IPG	Our Industrial, Professional and Consumer Segments (Industry Products Group)
	ISO 13485	Medical devices quality management systems
	ISO/IEC 17025	Management system for testing and calibration laboratories
	ISO 14067	Carbon product footprint standard
	ISO 9001	Quality management systems
	JEPDS	Johnson Electric Products Development System
	JEPS	Johnson Electric Production System
	LCA	Life cycle assessment
	MEMS	Micro electro-mechanical system
	NEV	New energy vehicles
	NEMA	National Electrical Manufacturers Association
	PCF	Product carbon footprint
	REACH	Registration, evaluation, authorization, and restriction of chemicals
	RoHS	Restriction of hazardous substances
	UL	Underwriters Laboratories
	V-model	A sequential software development process emphasizing testing to ensure quality and reliability in product development

Appendix 7: Glossary

Category	Term	Explanation
Environment	EH&S	Environment, Health and Safety
	GHG Protocol	Greenhouse Gas Protocol
	HVAC	Heating, ventilation and air conditioning
	RECs	Renewable Energy Certificates
	ISO 14001	Environmental management systems
	ISO 14064	International standard for qualifying and reporting greenhouse gas emissions
	ISO 50001	Energy management systems
	LPG	Liquefied petroleum gas
	ODS	Ozone-depleting substances
	PPA	Power purchased agreement
	Renewable electricity	Renewable electricity is generated from renewable energy sources such as wind, solar, hydro, and geothermal
	TCFD	Task Force on Climate-related Financial Disclosures
	Water stress	A situation in which the water resources in a region or a country are insufficient for its needs
	SBTi	Science Based Targets initiative
	Scope 1	Direct greenhouse gas emissions from sources that are owned or controlled by an organization, such as combustion of fossil fuels and natural gas
	Scope 2	Indirect greenhouse gas emissions from the generation of purchased electricity, heat, or steam consumed by an organization
	Scope 3	Indirect greenhouse gas emissions from activities outside an organization's own operations
	VOC	Volatile organic compounds
	Zero waste to landfill	99% or more of generated waste being diverted away from landfill

Category	Term	Explanation
Employees	AED	A portable medical device that delivers an electric shock to restore normal heart rhythm in sudden cardiac arrest
	DE&I	Diversity, equity and inclusion
	First aids	OSHA (Occupational Safety and Health Administration) defines a first-aid case as a minor injury that can be treated quickly and effectively with simple first-aid measures
	Hazards	Hazards in workplace refer to potential sources of harm or injury to employees
	HR	Human resources
	ISO 45001	Occupational health and safety management systems
	JEDi	Johnson Electric Digital Transformation Champions
	JEwel	Our monthly JEwel awards encourage the sharing of best practices, recognizing winning projects and teams during the year.
	LOR	List of requirements for machine safety for both existing equipment used in-house and new machines purchases
	Lost-time accidents/LTA	Workplace incidents causing employee absence with more than one lost-time day
	LOTO	Log-out/tag-out
	Near-misses	Incidents that could have resulted in injury or damage, but were prevented due to timely corrective action
	OSHA	Occupational Safety and Health Administration
	PPE	Personal protective equipment
	Recordable injuries	A work-related injury or illness which must be recorded under the Occupational Safety and Health Act
	VR	Virtual reality
Communities	JEnerations	The JEnerations program encourages our employees to get involved in social impact and community outreach activities that enrich our local communities through volunteering.
	JETC	Johnson Electric Technical College
	STEM	Science, technology, engineering and mathematics

Appendix 7: Glossary

Category	Term	Explanation
Trust and Transparency	3TG	Tin, tantalum, tungsten, and gold
	CSR	Corporate social responsibility
	CMRT	Conflict Minerals Reporting Template
	EMRT	Extended Minerals Reporting Template
	FAQ	Frequently asked questions
	GDPR	General Data Protection Regulation
	GTB	The Global Technology Board
	IIRC	International Integrated Reporting Council
	ILO	International Labour Organization
	IFRS	International Financial Reporting Standards
	LBMA	London Bullion Market Association
	NGO	Non-governmental organization
	OECD	Organization for Economic Cooperation and Development
	RCOI	Reasonable Country of Origin Inquiry
	RMAP	Responsible Minerals Assurance Process
	RMSC	The Risk Management Steering Committee
	SISC	The Social Impact and Sustainability Committee
	SOP	Standard operating procedure
	SAQ	Supplier assessment questionnaire
	TISAX	Trusted Information Security Assessment Exchange
	VRF	Value Reporting Foundation

Appendix 8: Verification statement

Scope and Objective

Hong Kong Quality Assurance Agency ("HKQAA") was commissioned by Johnson Electric Holdings Ltd ("JEHL") to conduct an independent verification for its sustainability disclosures (the ''selected disclosures") stated in its Sustainability Report 2024/25 of JEHL ("the Report"). The selected disclosures covered the sustainability performance of JEHL in the period from 1st April 2024 to 31st March 2025.

The objective of this verification is to provide an independent opinion with a reasonable level of assurance on whether the sustainability disclosures are prepared in accordance with the following reporting criteria:

- The Environmental, Social and Governance Reporting Guide ("ESG Guide") set out in Appendix C2 of the Listing Rules of The Stock Exchange of Hong Kong Limited (version effective from 31st December 2023, which remains applicable to annual reports for financial years commencing before 1st January 2025).
- Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards") 2021
- Sustainability Accounting Standards Board ("SASB") Industry Standards version 2023-12 for "Auto Parts" and "Industrial Machinery and Goods".

Level of Assurance and Methodology

HKQAA's verification procedure has been conducted with reference to the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000") issued by the International Auditing and Assurance Standards Board. The evidence gathering process was designed to obtain a reasonable level of assurance as set out in the ISAE 3000 by using a risk-based approach.

Our verification procedure included, but not limited to:

- Sampling the sustainability information stated in the Report, e.g. claims and performance data for detail verification;
- Verifying the raw data and supporting information of the selected samples of the sustainability information;
- Interviewing responsible personnel; and
- Checking the internal control mechanism.

Roles and Responsibilities

JEHL is responsible for the organization's information system, the development and maintenance of records and reporting procedures in accordance with the system, including the calculation and determination of sustainability information and performance. HKQAA verification team is responsible for providing an independent verification opinion on the selected disclosures provided by JEHL for the reporting period. The verification was based on the verification scope, objectives and criteria as agreed between JEHL and HKQAA.

Independence

HKQAA did not involve in collecting and calculating data or compiling the reporting contents. Our verification activities were entirely independent and there was no relationship between HKQAA and JEHL that would affect the impartiality of the verification.

Limitation and Exclusion

The following limitations and exclusions were applied to this verification due to the service scope, nature of verification criteria, and characteristics of the verification methodology.

I. Our verification scope is limited to verifying the transcription/transformation of the raw data or information into the selected disclosures, e.g., claims and performance data stated in the Report. This sustainability information may be subject to inherent uncertainty.

II. Evaluating the quality of execution and implementation effectiveness of the ESG practices, the appropriateness of the assumptions made, and the estimation techniques applied are outside the scope of our verification.

III. The verification of raw data or information is based on the use of a sampling approach and reliance on the client's representation. As a result, errors or irregularities may occur and remain undetected.

IV. Any information outside the established verification period has been excluded.

Conclusion

Based on the evidence obtained and the results of the verification process, it is the opinion of the verification team that, with a reasonable level of assurance, the report has been prepared, in all material respects, in accordance with the ESG Guide set out in Appendix C2 of the Listing Rules of The Stock Exchange of Hong Kong Limited (version effective from 31st December 2023, which remains applicable to annual reports for financial years commencing before 1st January 2025), GRI Standards 2021 and SASB Industry Standards version 2023-12 for "Auto Parts" and "Industrial Machinery and Goods".

Signed on behalf of Hong Kong Quality Assurance Agency

Connie Sham

Head of Audit

May 2025

Ref: 14961462-VER

Appendix 9: About this report

Our Sustainability Report 2024/25 (the "Report") covers the sustainability performance of Johnson Electric Holdings Limited (the "Company") (Stock code: 179) and all of its subsidiaries (collectively the "Group" or "Johnson Electric"). It should be read in conjunction with the Group's Annual Report 2024/25, in particular the Management's Discussion and Analysis and the Corporate Governance Report sections.

The information presented in this Report relates to the sustainability performance and activities of Johnson Electric's major operating locations worldwide from 1 April 2024 to 31 March 2025. All major sites are included, unless otherwise stated. Environmental data excludes our operating site in Zwickau, Germany, which accounts for less than 0.1% of overall data, due to relevant data being unavailable.

Our Report was prepared in accordance with the Environmental, Social and Governance Reporting Code ("ESG Reporting Code") set out in Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("HKEX"). Our report was also prepared in accordance with the Global Reporting Initiative ("GRI") Reporting Standards and with reference to the Sustainability Accounting Standards Board's ("SASB") industry standards for auto parts and industrial machinery and goods. It has been independently verified by the Hong Kong Quality Assurance Agency ("HKQAA").

The HKEX content index can be found on pages 163 to 169, the GRI content index on pages 170 to 181, and the SASB content index on pages 182 to 183. The HKQAA verification statement can be found on page 195. Our report is published in English and Chinese. Both versions are available for download from www.johnsonelectric.com. In the interests of environmental protection, we do not provide printed copies of this Report. We welcome feedback on the Report and our sustainability approach. Please contact us with any comments or questions at sustainability@johnsonelectric.com.

Disclaimer

This Sustainability Report contains certain forward-looking statements with respect to our future plans, targets, objectives, expectations and intentions. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual performance of Johnson Electric to be materially different from any performance expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding Johnson Electric's present and future business strategies and the socio-political and economic environment in which Johnson Electric will operate in the future. Laws and regulations in the jurisdictions where we operate are also subject to potential change. Consequently, our sustainability targets are not projections or estimates of future performance. Instead, they represent targets that we strive to achieve.

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