



# Environmental, Social and Governance Report



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 1 INTRODUCTION

### 1.1 ABOUT JNBY

We are a leading designer brand fashion house based in China. According to the information provided by CIC <sup>(Note)</sup>, in 2021, we ranked the first in the Chinese designer brand fashion industry in terms of total retail sales. We design, promote and sell contemporary apparel, footwear and accessories as well as household products. As at June 30, 2022, our brand portfolio comprises brands in three stages — the Mature brand namely JNBY, three Younger brands, namely (i) CROQUIS (速寫), (ii) jnby by JNBY and (iii) LESS, as well as various Emerging brands, such as POMME DE TERRE (蓬馬) and JNBYHOME, each targeting at a distinct customer segment and having a uniquely defined design identity based on our Group's universal brand philosophy — “Just Naturally Be Yourself”.

Our products target at middle— and upper-income customers who seek to express their individuality through fashionable products. Our broad range of product offering and brand portfolio create a lifestyle ecosystem that enables us to address our customers' needs at different stages and scenarios of their lives, which in turn allows us to build a large, diversified and loyal customer base. We started our business in 1994 by selling women's apparel. According to a survey conducted by CIC <sup>(Note)</sup>, our Mature brand, JNBY, is considered the most unique and recognizable women's apparel designer brand in China, ranks the first in terms of brand awareness and enjoys the highest brand loyalty in terms of the number of customers with repeated purchases among top 10 women's apparel designer brands in China. We expanded our brand portfolio between 2005 and 2011 to include CROQUIS (速寫), jnby by JNBY and LESS. During 2016–2019, we further launched various Emerging brands, such as POMME DE TERRE (蓬馬) and JNBYHOME, so that our product mixes could be more diversified and segmented and we could cover consumers of most age groups. Meanwhile, we have launched such new consumption scenarios or products as “Box Project” and “JNBY Group +” multi-brand collection stores to provide consumers with more value-added services.

Taking into account our customers' purchasing patterns and information needs, we have established an omni-channel interactive ecosystem comprising physical retail stores, online platforms and WeChat-based social media interactive marketing service platform, with each component playing a critical role in attracting fans and transforming our potential fans into loyal fans. We aim to build up a “JNBY Fans Economy” strategy, which is based on a community of fans whose purchases are driven by their affinity to the lifestyle we aim to promote.

As one of the most influential designer brand fashion houses in China, we have consistently emphasized sustainable and healthy development. While growing our own company and extending our corporate ideals, it is our obligation to contribute back to society. In order to contribute to the transformation of the industry and the world toward sustainability, we have incorporated more sustainable elements into our operations and have a dedicated organizational structure to ensure the implementation of corresponding work, setting goals and actively carrying out ESG governance activities in various areas such as environmental sustainability, product sustainability, talent sustainability, and social sustainability.

Note: China Insights Consultancy Limited (灼識諮詢), the industry consultant

### 1.2 REPORTING SCOPE

Pursuant to the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Group has prepared the Environment, Social and Governance Report (the “ESG Report”) for the period from July 1, 2021 to June 30, 2022 (“Fiscal Year 2022”, the “Reporting Period”). This report elaborates our philosophy in sustainable development and social responsibility in respect of the environment and the society and covers our headquarters and the subsidiaries in various regions. No significant change is made to the disclosure scope from the previous year's ESG Report.

### 1.3 REPORTING PRINCIPLES

The basic reporting principles set out in the ESG Reporting Guide, i.e., the reporting principles of “Materiality”, “Quantitative”, “Balance” and “Consistency”, have been followed in the preparation of this ESG Report to determine, sort out and disclose ESG issues.

**Materiality:** Through materiality assessment with the stakeholders engagement, 24 issues related to the Group's sustainable development were identified and prioritized. Those material environmental and social issues are highlighted in this report.

**Quantitative:** Measurable environmental and social key performance indicators (KPIs) are reported. And to ensure the accuracy and traceability of these KPIs, the used standards, methodologies and emission factors for each indicator are also disclosed.


**Balance:** This ESG Report provides an unbiased picture of the Group's performance following the principle of balance.

**Consistency:** The Group adopts consistent reporting principles and methodologies to allow for meaningful comparisons of ESG data over time by stakeholders. Any changes that may affect such comparisons are explained.

## 2 SUSTAINABILITY MANAGEMENT

### 2.1 ESG VISION AND STRATEGY

As one of the most influential fashion houses of designer brands in China, JNBY always deems creating a harmonious and beautiful environment as a key performance of its own corporate social responsibility. Adhering to a “people- and nature-oriented” sustainability concept, the Group incorporates sustainability into all aspects of business operations and keeps close attention to the sustainability of products, talents, environment and communities in order to contribute to global sustainable development.

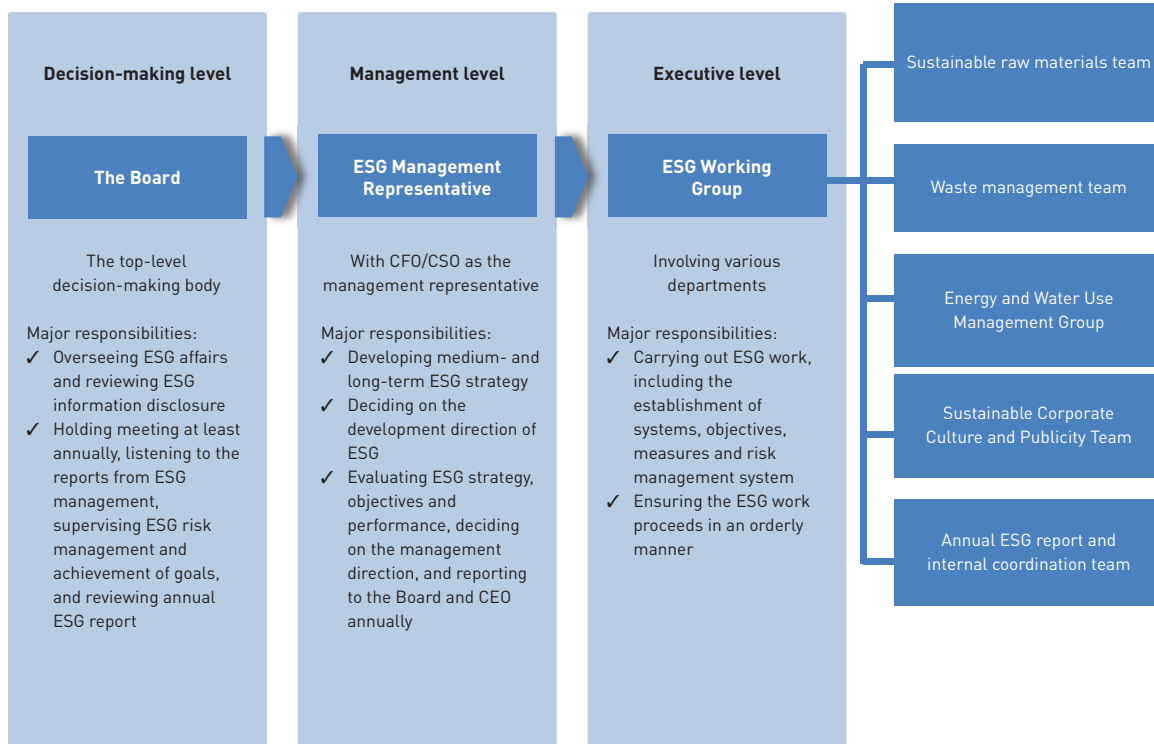
Vision: Create Sustainable Fashion with JNBY Characteristics 			
Product sustainability	Talent sustainability	Environmental sustainability	Community sustainability
Sustainable materials	Talent engagement and development	Resource recycling	Coordinated development within
Product quality and safety	Employee health and safety	Energy saving and emission reduction	industries
R&D and innovation			Contribution to local development
Brand power building			
All-domain fan relationship			
Sustainable supply chain			

Sustainable Development Goals	
✓	By the end of Fiscal Year 2025, the Group’s sustainable raw materials account for over 30% (inclusive) of the total weight of raw materials procurement
✓	Maximize the utilization rate of fabrics and reduce the waste of various resources
✓	By the end of Fiscal Year 2027, the annual electricity consumption per work station and the annual water consumption per work station of the headquarters of the Group in OōELi, Hangzhou, decreased by 10% respectively (based on Fiscal Year 2022)
✓	Develop an ESG culture of “everyone participates and everyone creates”

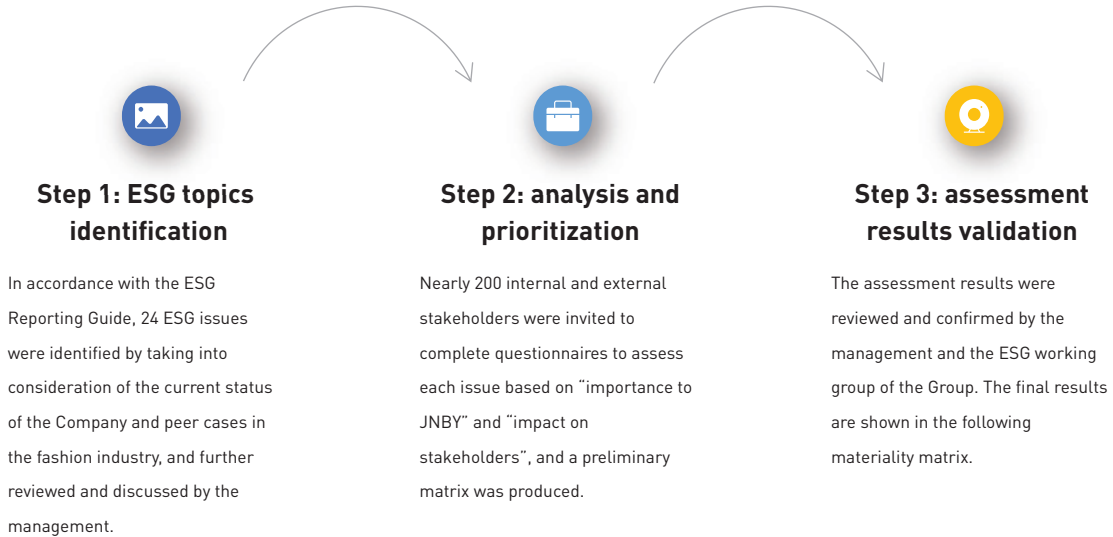
## 2.2 ESG GOVERNANCE FRAMEWORK

To realize our vision of sustainable development, we have included ESG factors into our business strategy and build an ESG governance framework with the board of directors (the “**Board**”) as the top-level decision-making body. The Group’s sustainable development strategy is implemented in a top-down manner.

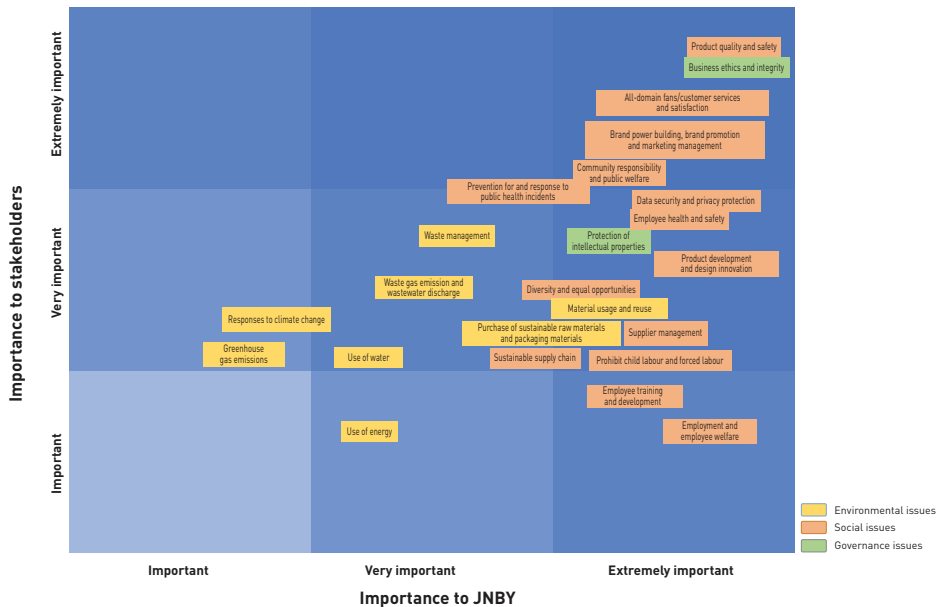


### 2.3 MATERIALITY ASSESSMENT

In this Fiscal Year, we re-examined the material ESG issues and prioritized them to identify those relevant to the Group. The materiality assessment was conducted in the following manner:



We invited the representatives of internal and external stakeholders to participate in the materiality assessment questionnaire on ESG issues to understand stakeholders' expectations and concerns on JNBY ESG issues, and received feedbacks from nearly 400 stakeholders, including consumers, suppliers, employees, shareholders, media, etc.



**Materiality Assessment Matrix**

## 2.4 STAKEHOLDER ENGAGEMENT

The Group places a high value on the expectations and needs of its stakeholders. The communication channels and methods between the Group and stakeholders are being improved. The issues important to stakeholders always get a great deal of attention and are dealt with actively. The Group hopes to share the opportunities of sustainable development with its stakeholders.

Stakeholders	Communication channels	Concerned ESG issues	Actions taken by the Group
<b>Government and regulatory authorities</b>	Policy guideline	Product quality and safety	Implement regulatory policies
	Regulatory documents	Compliance operation	Take supervisory assessments
	Industrial meetings	Policy implementation	Carry out green operation
	On-site inspection		Improve corporate governance
	Off-site supervision		
<b>Shareholders and investors</b>	Information disclosure	Product quality and safety	Maintain our brand value
	General meetings	Business strategy	Publish results announcements on a regular basis
	Road shows	Investment returns	Organize results release and non-trading roadshow
	Results announcements	R&D and innovation	Promote internal risk control
<b>Employees</b>	Labor union	Employment and employee welfare	Utilize the functions of labor union
	Workers' congress	Employee health and safety	Enrich employees' lives
	Intranet email	Employee training and development	Establish learning platform
	Corporate events	Business ethics and integrity	Protect employees' rights
		Diversity and equal opportunities	
<b>Distributors and suppliers</b>	Regular meetings	Supplier management	Hold promotional meetings
	Daily interactions and visits	Procurement of sustainable raw materials and packaging materials	Establish a transparent and fair procurement system
	Partnering agreements		Increase awareness on environmental and social risks
	Strategy negotiations		Build positive business cooperative relationships
<b>Media</b>	News release	Brand power building, brand promotion and marketing management	Organize open day for media agencies on a regular basis
	Media platforms	Advertising	Publish news in a real-time manner
	On-site interviews	Transparent disclosures	Disclose information timely and objectively
<b>Consumers</b>	Customer hotline	All-domain fans/Customer services and satisfaction	Establish a comprehensive quality control system
	Satisfaction survey	Product quality and safety	Enhance service quality
	Marketing events	Privacy protection	Protect consumers' rights
	Official websites		
<b>Community and the public</b>	Charity activities	Community and charity	Increase donations to the society
	Volunteer activities	Environmental protection	Organize volunteer activities on a regular basis
	Community events		Promote cultural knowledge
<b>Artists and the fashion industry</b>	Sponsorship events	Fashion trends	Collaboration with designers
	Communication activities	Artistic communication	Patronage of art exhibitions
		Artistic exchanges	
		Protection of intellectual properties	

## 2.5 STATEMENT FROM THE BOARD

The Board and all directors of the Company warrant that there are no false representations, misleading statements contained in, or material omissions from, this report. And the Board makes a statement regarding its oversight and management of ESG issues as follows:

The Board is the top-level body responsible for the Company's ESG strategy and management. The Company's ESG management representative is responsible for assisting the Board in directing and overseeing ESG issues. The ESG working group is responsible for implementing the Company's ESG strategy and actions. For the details about the governance framework, please refer to the section headed "ESG Governance Framework" in this report.

In this Fiscal Year, the Company communicated with stakeholders extensively and in depth through multiple channels and conducted a materiality assessment to identify important ESG issues. The ESG working group has actively addressed the identified important issues (including product quality and safety, procurement of sustainable raw materials and packaging materials, use and recycling of materials and waste discharge). The management approaches to these issues are highlighted in this report. For details about management policy and strategy, please refer to the sections headed "ESG Vision and Strategy" and "Materiality Assessment" in this report.

The Company has established its ESG strategy and goals to review and manage its impact on environment, society and governance, and has incorporated the concept of sustainable development into its operations. The Board reviews the Group's ESG strategy, goals, progress and completion on a regular basis.

In the future, the Board will continue to oversee the Group's ESG management and drive its improvement, making continuous efforts to realize the Group's vision of Sustainable Fashion By JNBY.

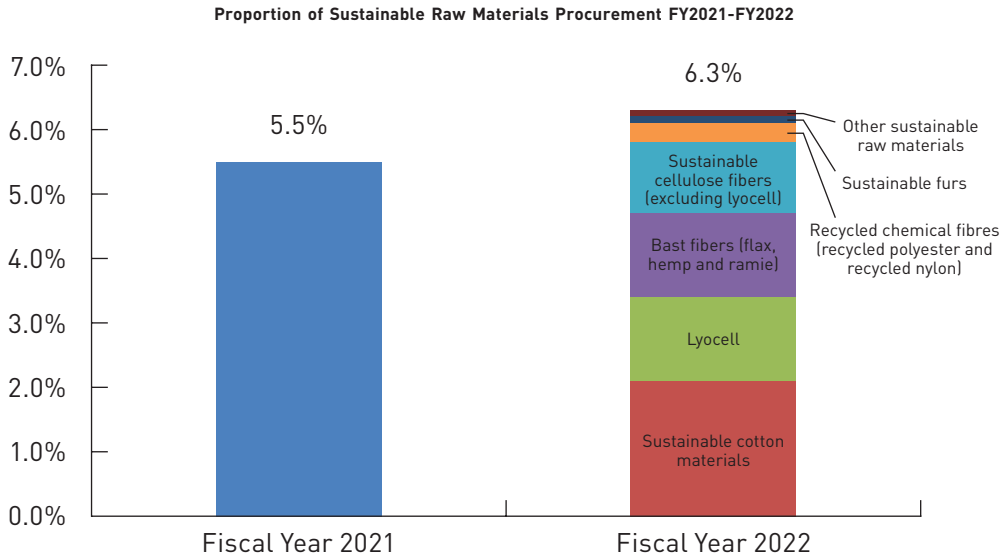
## 3 PRODUCT SERVICES

As a fashion house of designer brands integrating design, production and marketing, we are committed to providing consumers with reliable and high-quality products and services, while continuously promoting the sustainable development and transformation of ourselves and the industry chain. We actively focus on the concept of sustainable fashion, implement a multi-brand strategy with the guidance that "design interprets interesting and high-quality life", and continue to explore sustainable raw materials, recyclable and pollution-free production processes to offer meaningful and quality lifestyle to the multi-dimensional retail market. We strive to return to the basics during our endless exploration and realize the flow and recycling of beauty.

### 3.1 PROCUREMENT OF SUSTAINABLE RAW MATERIALS

Adhering to the core value concept of “better design, better life”, the Group makes full use of innovative research and technology to promote green, low-carbon, environment-friendly and sustainable development, and work diligently to explore the application of sustainable raw materials to reduce resource consumption, improve the quality of recycled products and provide reliable products to consumers. We have set a goal for the use of sustainable raw materials: i.e., by the end of Fiscal Year 2025, the Group’s sustainable raw materials account for over 30% (inclusive) of the total weight of raw materials purchased. In this Fiscal Year, we have spared no effort to move towards the goal and the proportion of sustainable raw material procurement reached 6.3%. Various sustainable raw materials, including sustainable cotton materials, lyocell, bast fibers, and sustainable cellulose fibers (excluding lyocell) have been used in our products. In the future, we will further increase the proportion of sustainable raw material procurement, and continue to create fashionable and sustainable products for our consumers.

**Proportion of sustainable raw materials procurement: 30%**



**Certification of sustainable raw materials received by JNBY**

Global Organic Textile Standard (GOTS)	
Global Recycled Standard (GRS)	
Tencel	
Naia Renew	

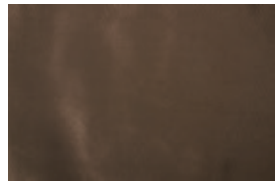


In order to ensure the traceability and standardization of organic textiles and encourage the reduction of resource consumption, the sustainable cotton materials and the recycled materials used in the Group's products have received certification from the Global Organic Textile Standard (GOTS) and the Global Recycled Standard (GRS) respectively. The Group uses Tencel Lyocell fiber fabrics from FSC-certified sustainable timbers. The raw materials are produced with a toxic-free and pollution-free process and can be naturally degraded after the end of life.

- **RENEW acetic acid twill**

RENEW acetic acid twill is made from 100% Naia™ Renew cellulosic acetic fiber. In cooperation with EASTMAN and with its patented carbon regeneration technology, we reduce mixed plastic waste into molecular monomers before synthesize them into acetic acid raw materials, together with sustainably sourced wood pulp, to produce Naia™ Renew cellulosic acetic fiber (60% sustainably sourced wood pulp and 40% certified recycled waste plastics). This innovative technology not only solves the problem of plastic waste treatment, but also turns plastics into degradable acetic acid materials, hence achieving the sustainable development goals such as energy saving, emission reduction and plastic recycling.

At the same time, we have introduced the world's leading weaving and dyeing and finishing technology DV One in the fabric production process, which has greatly improved the impact of fabrics and garments on the environment. According to the third-party CO2 Carbonstop, carbon dioxide emissions can be reduced by an average of 0.9 kg each dress by use of Naia™ Renew raw materials and DV One production process. In addition, the fabric has such advantages as softness, skin-friendly, breathable and comfortable, and has a silk-like appearance, but has better color fastness, which is not easy to fade and aging.



- **Organic cotton poplin**

The 60s fine twisted cotton yarn of organic cotton poplin fabric is 100% from the global high-quality organic cotton base, and the organic cotton yarn has passed the Global Organic Textile Standard (GOTS) certification. Organic cotton is grown from non-transgenic seeds, and its planting process adopts organic cultivation method, without using chemical fertilizers and pesticides, which is healthy and environmentally friendly, energy-saving, water-saving and pollution-free. The fabric uses high-density weaving method, and such advanced dyeing and finishing processes as mercerizing give the cloth a silky soft luster and delicate texture, a smooth, full fabric hand, and good toughness.

- **Yak wool yarn**

Yak wool is a unique natural fiber in Tibetan areas, with good toughness, high strength and moisture resistance better than cashmere. The warmth of yak wool is about 30% higher than that of cashmere, the air permeability is 1.6 times of cashmere, and the fiber strength is 1.5 times of cashmere. The suppliers we select adhere to the concept of sustainable development, build an integrated production line near the farm, and train the herders to gently grasp the yak wool that falls off naturally by hand or a comb. The yak wool yarn feels fluffy and thick, and it is not too tight to wear. It has both the warm and fluffy feeling of woolen yarn and a sense of fine lines.



### 3.2 PROTECTION OF INTELLECTUAL PROPERTIES

The intellectual property is an important indicator of the core competitiveness of the Group, and the quantity and quality of the patents and copyrights reflect our innovation and R&D level. We strictly abide by all laws and regulations related to intellectual property, such as the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), the Patent Law of the People's Republic of China (《中華人民共和國專利法》) and the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》). Since its establishment, JNBY has always attached great importance to the registration and protection of intellectual property rights and continues to increase its R&D investment and pays great attention to patent innovation. For protection of intellectual properties, standardized management of our intellectual property is conducted on division basis, and related registration and protection process is clarified to ensure the effectiveness of the company's intellectual property. Our Group Affairs Department has established clear registration procedures for trademarks, patents and copyrights. The use of trademarks is controlled by each brand's Business Center, and the right protection efforts related to trademarks and products are uniformly managed by the Group Affairs Department and the Legal Department.

As at the end of Fiscal Year 2022, the Group had a total of 669 trademarks, 50 patents (including design, invention and utility model patents), and 138 copyrights.

### 3.3 QUALITY WHOLE-PROCESS CONTROL

In order to meet customers' requirements for product quality, we strictly abide by such laws and regulations as the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》), pay close attention to product innovation and quality and constantly improve internal standards. We have developed the Sample Access and Elimination Mechanism (《樣品准入及淘汰制度》), the Compliance Regulations for Garment Suppliers (《成衣供應商遵守規範》), the Standards of Product Quality Inspection (《產品質量檢驗標準》) and the Product Quality Control Process (《產品品控流程》) to provide consumers with high-quality products.

#### 3.3.1 Product quality management

In Fiscal Year 2022, being safety-oriented, JNBY has developed the Access Requirements for Textiles (《紡織品准入要求》), the Access Requirements for Children's Clothing and Infant Textiles (《童裝、嬰幼兒紡織品准入要求》), Down Standards (《羽絨標準》), the Standards of Product Quality Inspection (《產品質量檢驗標準》), the Product Quality Control Process (《產品品控流程》) and other internal control standards to provide customers with high-quality products and services. In order to increase the awareness of quality management responsibilities in each aspect, clarify management responsibilities, enhance market satisfaction on products and user experience, and protect the reputation of our brands, we have set up a quality management committee to build a quality control system managed by multiple departments to effectively identify and manage the after-sales hidden dangers and after-sales batch quality problems of products.



The Group implements a whole-process management approach to product quality and supervises all sections of the production process to ensure that the quality meets relevant standards. In addition, we regularly communicate the feedback on product quality from the distributors and consumers to the QC personnel to enable them to rectify the omissions and further improve the quality control procedure.



**JNBY's whole-process management of product quality**

### 3.3.2 Creative design review

As a well-known designer brand in China, we have strict requirements and standards for the selection and management of product design. In Fiscal Year 2022, the Group established the "Group Creative Design Review Management Group" consisting of the CEO, COO, CMO and other core management to review the product design in respect of various factors, including law, product and brand marketing. A product will go through a series of strict and integrated processes from the source of inspiration for creative design to the confirmation of sample apparel, and the whole process will be reviewed by the chief designer, general designer and creative design special review team to ensure the preciseness of creative design.

### 3.3.3 Product recall

The Group has developed the Rules for Batch Recall (《貨品批量召回規則》) to standardize the management of defective product recall, to eliminate the potential harm of defective products to consumers' health and safety and protect consumers' rights. Products may be recalled due to quality and non-quality reasons. The Rules for Batch Recall (《貨品批量召回規則》) specified the different methods for handling these two types of product recall.

We have established an accountability mechanism after product recall. In the event of a product recall, the corresponding department shall provide a statement of responsibility within 2-4 weeks, the specific person or team will be held accountable, and results will be timely submitted to the Data Center and Human Resources Center, which will discuss remedial measures with relevant departments. The Standard Department of the R&D Center is responsible for reviewing the previous quality problems every quarter to correct them in time and improve relevant management.

During this Fiscal Year, no products were recalled by the Group due to health and safety problems.

### 3.3.4 Label management

The Group continues to strengthen label management and has established a label confirmation process co-managed by the Brand Center, Designing Center, Production and Procurement Center, Information Center, R&D Center and other departments. The Brand Center is responsible for reviewing the brand tags, certificate of repair, replacement and return warranties ("3R Warranties"), and labels, marks and drawings on inner and external packages every quarter, and preparing the drawings of marking according to the Guidelines on Tags, Special Washing and Caring Instructions and 3R Warranties (《掛牌·特殊洗滌保養說明·三包標準指導》). The drawings of marking will be further reviewed and handled by the Standard Department, and then submitted to the Production and Procurement Center for production after the accuracy of relevant contents is confirmed.

### > Product certification allows consumers to be 100% at ease

We have always been careful to protect the health and safety of our little fans. In Fiscal Year 2022, jnby for mini launched the OEKO-TEX100 safety fabric series, which protects babies' skin and accompanies their growth, thus being a safe choice for mothers. STANDARD 100 by OEKO-TEX® is one of the most well-known and widely used textile labels in the world, proving that our products are tested from raw materials, yarns, fabrics, finished products to accessories, which are free of harmful substances, green and environmental protection.



### 3.4 PROVIDING HIGH-QUALITY SERVICES

The Group always aims to build up a JNBY lifestyle ecosystem we advocate, implements a design and brand-driven strategy, continuously optimizes our designer brand portfolio, enhances forward-looking design and research and development capabilities, comprehensively enhances our brand strength, makes full use of Internet thinking and technology, continues to enhance our retail network all across China and over the globe, actively deploys omni-channel digital and intelligent retail ecosystem to expand new consumption scenarios, optimizes the ability of the intelligent responsive supply chain, and constantly creates and provides scenarios for value-added services and customer touchpoints to our fans who wish to express their individuality, so as to lead the way in building up a JNBY lifestyle ecosystem we advocate. We persist to take “fans economy” as the core, provide consumers with thoughtful and considerate pre-sales and after-sales services, provide members with a variety of fan benefits, provide distributors with comprehensive trainings, continue to improve customers’ shopping experience, and allow customers to enjoy our high-quality services, while understanding and loving JNBY’s brand concept and lifestyle, and becoming a practitioner of JNBY’s life concept.

#### 3.4.1 Considerate sale services

To build a standard and consistent operating model for direct-sale stores and facilitate the retail team to have a clearer understanding of the Company’s system and management standards, we has prepared the Manual for Operating Direct-sale Stores (《直營店鋪運營手冊》) and Store Service Evaluation Form (《門店服務考核表》), which clarify the standards for store management rules and regulations, employee manual, image of goods, six-step store management, eight-step sales management and other aspects. In addition, we regularly carry out product display matching training to improve the sales skills of retail store staff and empower sales assistants to provide professional styling advices, so as to create a comfortable shopping experience for customers with professional fashion acumen and quality service.

We have built professional styling and delivery services named “BOX+ Box Project” and created an independently developed applet focusing on “matching”, hence forming a matrix composed of public account, applet and other selling channels, to provide members with all brand mix matching. Users can initiate the box demand at any time, and the stylists/shop assistants will build the box as needed. We have more than 50 stylists to provide members with professional fashion matching services. “BOX+ Box Project” has served more than 200,000 members and delivered more than 400,000 boxes.

#### “Star” Project

In order to better integrate and coexist with the new generation group, JNBY has established the “Star” Project to provide standardized operating procedures for stores and create a comprehensive and brand-new shopping experience for customers. From April 2022, JNBY started the “Star” Project to carry on, including but not limited to, a nationwide census of mysterious visitors, a circular spot check of standardized stores, regional secret visits, and continuous requirements for “Zero” tolerance behavior and supervision of the implementation of punishment mechanisms in various districts, so as to promote and enhance the service awareness of all employees.

### 3.4.2 Thoughtful after-sales services

We always regard customer satisfaction as the core standard of our continuous improvement of service. The channels to receive customers' feedbacks are being optimized. The Group captures the customers' suggestions and requirements efficiently and conveniently through customer service hotline (400-), online chat windows of online sales platforms and customer feedback portal of WeChat Mall. To further enhance our after-sales services, we have formulated the Customer Complaint Process Management (《客戶投訴流程管理》), the Shopping Guide Working Duties (《導購工作職責》) and other relevant systems to address complaints on different platforms and specify corresponding handling departments and procedures. In Fiscal Year 2022, we continued to optimize the Terminal After-Sales Judgment and Maintenance Service Process (《終端售後判定與維修服務流程》), pursuant to which, different types of after-sales problems from customers shall be handled by the after-sales specialist within 2 working days and customer feedback shall be responded as quick as possible to address customer problems.

Customers' complaints will be handled by our online customer service staff in a patient and sincere manner and with detailed records, and such service staff are subject to assessment by the E-commerce Operation Center and Digital Intelligence Retail Business Center according to relevant criteria. Our offline shopping guides are responsible for handling product quality complaints, including taking follow-up actions and keeping customers informed of the progress. By the end of Fiscal Year 2022, the Group received a total of 15,490 complaints, 100% of them were responded and addressed.

Note: In Fiscal Year 2022, in order to collect consumers' opinions more comprehensively, further improve the service quality and provide consumers with better shopping experience, the Group has expanded the scope of customer complaint statistics channels, including online platform, 400 hotline, etc.

In addition, to further improve the professional ability of customer service staff, we have joined the Alliance College of Millions of Customer Service Staff.

Through this platform, our customer service staff can obtain official explanations of platform rules, improve service skills, learn how to deal with customers safeguarding their rights and how to use various official tools, so as to continuously improve themselves and service quality.

### 3.4.3 Distributor management

We have established a standardized distributor approval and assessment system to provide customers with more convenient shopping experience. We encourage every distributor partner to actively innovate, jointly and continuously create and provide more scenarios for value-added services for fans/members and make full use of the omni-channel interactive platform to serve every fan/member of JNBY.

In order to engage consumers, we continue to empower distributors and organize a series of distributor training, such as new guide training, training for the beginning of a new season and in-store training, so as to improve their professional ability to the greatest extent. We always believe that distributors are important partners and family members of JNBY. During the COVID-19 pandemic in 2020, we took proactive measures and formulated a return policy for our distributors, allowing 100% returns of spring products, in a bid to work with our partners to go through this hard time. At the same time, we continued to encourage distributors to provide fans/members with more value-added service scenarios to establish partnership with distributors for common progress and development.



Training for the beginning of Spring/  
Summer 2022



In-store training

### 3.4.4 Diverse benefits for fans

JNBY adheres to the “fan economy” as the core, encourages operational innovation, continues to create more exclusive services and quality experience and provides more value-added services for members. In Fiscal Year 2022, we updated the rights and interests of our members again, including shortening the upgrade cycle of members, adding new membership levels, and continuously increasing the benefits of points to improve the experience of members.

We provide a number of personalized member activities and privileges for members at different levels. The Group holds the Member’s Festival annually to provide more benefits to our members in the form of point-for-coupon, free gifts, discount purchase using points, interactive fission games, live broadcast, points bank and so on. During the “Care Week”, members have the priority to enjoy personal cares, consumption voucher package, personal care gifts and other benefits. In addition, members can participate in regular member marketing activities, such as time-limited points-for-cash, member group rights package, special discount for VIP, member gift rewards, etc. Private community fans can also enjoy the privilege of monthly online new product preview, limited Jiangnan good things recommendation, etc.

### 3.4.5 Sustainable marketing

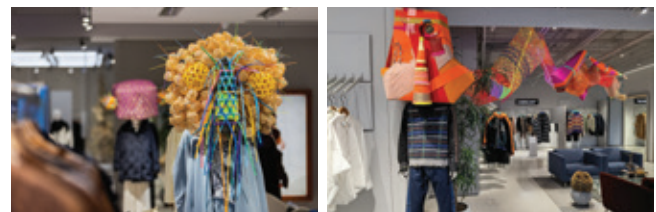
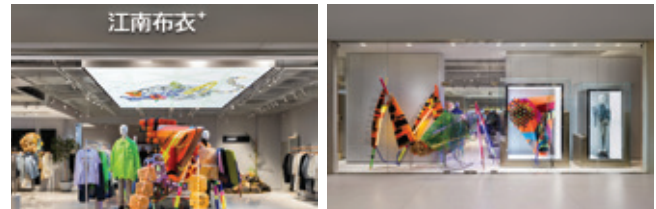
We always hope to inject new vitality into the discarded textiles, allowing them to be discovered and cherished, and continue in our lives in some form. Therefore, we give waste textiles a second life by making fabric stocks into eco-friendly recycled products or by the way of sustainable marketing, etc., to promote sustainability to consumers, while actively exploring the mode of waste fabric reuse with JNBY characteristics. In Fiscal Year 2022, we carried out a series of innovative marketing activities to bring more diversified experiences to our members.

- In autumn/winter 2021, the Group launched the yak wool series, embarking on a journey at an altitude of 4,600m with its partners, demonstrating the natural power of the plateau through natural materials and original handicrafts, and the uninhibited beauty of yak wool with ingenious workmanship.

- During the Christmas holidays in 2021, POMME DE TERRE (蓬馬) collected fallen leaves from autumn to winter, and worked with fans to make a unique “Christmas Tree” to usher in the coming of Christmas, and called on the public to practice environmentally sustainable behavior in daily life, including refusing excessive consumption, washing rather than discarding, and green travel.



- During the period from December 2021 to the Spring Festival 2022, the Group, together with PINWUSTUIO, launched the “GuoGuo Tiger” series of artworks in the year of Tiger in “JNBY+” multi-brand collection stores nationwide, showing the interesting and vivid artistic image of “GuoGuo Tiger”. The handmade bamboo cage with strong Oriental charm, combined with the tiger patchwork, is a collision between traditional handicraft and contemporary design language. While sending our best new-year wishes, we hope to share JNBY’s exploration and thinking of Chinese traditional culture and art, as well as its creative expression of responsibility for sustainable fashion with consumers.



- In March 2022, in order to let customers have a better understanding of our concept of environmental protection regeneration, we organized an activity to give consumers who purchase our designated products a pet nest or key chain made from stock fabric.



### 3.5 PRIVACY PROTECTION

The Group remains committed to making best efforts to protect the privacy of customers and information security. We strictly abide by the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》), Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》) and other relevant laws and regulations, and formulate strict data security management system, so as to protect and manage data security and the privacy of users. In order to regulate our business departments and to assist third-party suppliers in managing data security in the course of relevant business processes, we have established the Information Security and User Privacy Protection Measures (《信息安全與用戶隱私保護措施》) to reduce the risk of data security. To protect membership benefits, we take the initiative to remind customers to sign the relevant usage agreement and subscription instructions during the membership registration, meanwhile, we manage account permissions strictly in the member management system and customer relationship management system. SkyGuard background policy is adopted and SkyGuard client-side is installed to limit access to authorized personnel. Customer-related data are collected and processed in a fair and legal way and on a necessary basis, and measures are taken to ensure such data will not be viewed, processed, deleted or used without authorization. Any unauthorized or accidental use, deletion, disclosure or transfer of such information to a third party without authorization will be addressed seriously. In addition, we arrange routine inspections of the machine room and make use of various technologies and means to monitor and record the operation and maintenance personnel's operations on servers, network equipment, databases and other equipment.

We require all employees to sign the Integrity Undertakings (《誠信承諾書》) before onboarding, and to strictly abide by the relevant confidentiality obligations in the Code of Conduct for Employees (《員工行為準則》) and the Credibility and Integrity System (《誠信與廉潔制度》). In the event of non-compliances and disciplinary offenses, employees will be punished accordingly in accordance with the relevant requirements of the Employees' Reward and Punishment Policy. The Online Customer Regulations (《在線客戶規範》) requires all service personnel to strictly protect customer privacy, and the Customer Satisfaction Center has set up rules to specify dos and don'ts for its posts to prevent the disclosure of the Group's trade secrets and customer information. In addition, we attach importance to employee data security training, and constantly emphasize the importance of ensuring data security and protecting customer privacy in our internal training centers. In the past three years, no events related to privacy disclosure occurred in the Group.



Confidentiality training

### 3.6 SUSTAINABLE SUPPLY CHAIN

Following the principle of fair and impartial procurement, JNBY has established and improved the procurement system and supplier management regime, formulated the Code of Conduct for Suppliers (《供應商行為準則》), and strictly controlled the introduction, daily management and assessment of suppliers. In order to guide suppliers to fulfill their environmental and social responsibilities, we continuously enhance our suppliers' awareness of sustainable development, and lead suppliers to operate together with JNBY in an "ethical and responsible" (有道德、負責任) mode, striving to create a responsible supply chain.



### 3.6.1 Grading access system

The Group has established the Evaluation System and Access for Supplier (《供應商的准入與定期考評制度》). Strict standards and procedures are applied to the approval of suppliers, and regular evaluations are strictly conducted on approved suppliers based on contract performance (contract amount, contract performance rate, defective product rate, deduction, etc.), manual evaluation results (supplier's development and innovation ability, problem-solving skills, cooperation degree, etc.) and objective data (information from Tianyancha.com, factory audit results, ESG indicators, etc.). Information about legal disputes, business and other cooperation risks is considered to ensure that the suppliers are safe and reliable. In Fiscal Year 2022, we updated and improved the supplier reviewing process and further revised the verification and approval of the supplier access procedures. Upon strict review, we will require the approved suppliers to fulfill their commitments to the statement of undertaking for organizations, intellectual property and confidentiality in the contract, include them in the list of qualified suppliers and cooperate according to the quota requirements.

As at the end of Fiscal Year 2022, the Group had 2,940 suppliers, 248 of which were newly approved in Fiscal Year 2022.

Key performance indicators	Number of suppliers
Suppliers in China	2,915
Suppliers overseas	25

Note: The statistical scope of suppliers includes the total number of approved suppliers, such as raw materials suppliers, fabric and accessory suppliers, garment suppliers, etc., as of the end of this Fiscal Year. The Group will continuously improve the statistical and management methods of data in respect of suppliers, and consider adopting measures that better express the business facts in future disclosure.

### 3.6.2 Assessment and evaluation

To effectively obtain the first-hand information about each supplier's integrity, quality, delivery date, degree of cooperation and after-sales service, control the supplier's capacity and business matching and ensure the quality and timeliness of completion of orders, the Production and Procurement Center has set up an evaluation team with relevant departments to grade suppliers taking into consideration information from Tianyancha.com, daily records of supplier accident and annual amount of orders. Furthermore, to enhance the procurement managers' awareness of their responsibility, the management of suppliers is included in the annual performance evaluation of these managers. They are responsible for grading supplies, updating the list of suppliers accordingly, determining cooperation priority and making necessary adjustments to orders.

### 3.6.3 Management of environmental and social risks

The Group has established the Code of Conduct for Suppliers (《供應商行為準則》), which specifies multiple environmental and social indicators and requires suppliers to comply with all applicable laws and regulations related to environment, social and working conditions, health and safety, and labor issues.

We have incorporated ISO 14001 and ISO 9001 performance indicators into the supplier management and evaluation system to examine the employment of suppliers and environmental protection, so as to avoid relevant risks.

In the selection and investigation of sustainable raw materials suppliers, we pay attention to the relevant environmental protection certification of suppliers, including Global Organic Textile Standard (GOTS), Bluesign Certificate, Oeko-Tex label, Global Recycle Standard Certification (GRS), etc. A unified management system of sustainable supplier list has been established to reduce the environmental and social risks in the process of sustainable procurement.

For environmental risk management, the Group requires manufacturers and suppliers to comply with all relevant environmental laws, regulations and rules in factories and communities where they operate, give priority to the use of pollution-free or low-pollution production processes, equipment and environmentally friendly materials, provide a safe and healthy working environment for employees, and regularly conduct work-related safety and health training for employees, and continue to practice environmental protection in all related business cooperated with us to achieve sustainable development.

## 4 PEOPLE-ORIENTED

Talent development is always the source of sustainable development of enterprises. In JNBY, we uphold a people-oriented approach, and are committed to creating an equal and diversified corporate culture, developing a fair and impartial talent mechanism, optimizing talent retention, promotion and development system, and designing a full range of remuneration and welfare system and diversified care policy to join hands with our employees and grow together.

### 4.1 PROTECT EMPLOYEES' RIGHTS

In strict compliance the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) and other laws and regulations, the Group protects the basic rights of employees actively and strives to establish a fair and inclusive working environment, and provides multi-dimension, multi-channel and all-round cares to the satisfaction of employees, and enhances employees' sense of belonging and happiness.

#### 4.1.1 Equal opportunities and diversity

We are always committed to establishing an equal and diverse working environment for our employees under the principles of inclusion, diversity and equal opportunities. During the employment, we ensure that we treat every employee equally and will not discriminate against every employee due to factors such as race, gender, skin colour, age, family background, ethnic tradition, religion and physical quality, and allow every employee to have same opportunity in respect of recruitment, promotion, benefits and welfare. We respect every employee, and strictly prohibit any form of corporal punishment, threats of violence or any other form of verbal, physical, psychological and gender disciplinary measures, including any form of sexual harassment, sexual abuse, corporal punishment, mental or physical oppression or verbal insults etc.

As at the end of this Fiscal Year, we had 1,497 employees in China. The composition of employees is shown in the table below:

Key performance indicators		Employees
Gender	Male	500
	Female	997
Age group	Under 30 years old	406
	30-50 years old	982
	Above 50 years old	109
Employment type	Senior management (responsible for strategies)	43
	Middle-level management (responsible for planning)	128
	Junior-level employee (responsible for implementation)	1,326

### 4.1.2 Engagement of diversified talents

The Group has established the Headquarters' Recruitment Management Policy (《總部招聘管理制度》) and the Administrative Measures for Overseas Recruitment in Direct-sale Stores (《駐外直營招聘管理辦法》). Adhering to the principle of fair and open recruitment, the Group continuously attracts outstanding talents through internal recruitment, social recruitment, campus recruitment and various other channels, and lays a solid talent foundation for the high-quality and sustainable development of JNBY. In Fiscal Year 2022, the Group has connected MOKA, an intelligent recruitment management system, and the newly launched EHR system to further improve recruitment efficiency.

#### ➤ JNBY Launches Online Live Recruitment

In order to identify and attract more talents, with resources from external online recruitment platforms, we organized a live recruitment for the first time to recruit outstanding talents in a mode of "contactless" live broadcast in order to support business development, which attracted more than 1,000 candidates.

We have established the resignation management system to standardize the resignation process and relevant authority at each point, and prohibit unfair or unreasonable dismissal in any form, so as to protect the legitimate rights of the Group and resigning employees. The Group's turnover rate in this Fiscal Year is listed in the following table:

Key performance indicator — turnover rate		Employee
Gender	Male	15.7%
	Female	15.8%
Age group	Under 30 years old	23.0%
	30-50 years old	12.6%
	Above 50 years old	13.5%
Total		15.8%

Note: Turnover rate = the cumulative number of resigned employees of a category in the year (L)/(the number of finally retained employees of this category in the year + L) × 100%.

### 4.1.3 Remuneration and promotion

In order to give full effect to remuneration as a means to attract, retain and motivate talents, we have formulated the “Headquarters Remuneration Management System” (《總部薪酬管理制度》), pursuant to which, the Group follows the principles of “efficiency, fairness and compliance”, and determines and adjusts salary and rewarding systems in a scientific manner, allowing employees to be reasonably compensated commensurate to their contributions and motivating employees at different levels and positions.

Our employees are entitled to national statutory benefits, including social insurance, housing provident fund, subsidy for high temperature, paid leave, etc. We further provide parental leave and (one-child) nursing leave according to the “Population and Family Planning Act” (《人口與計劃生育條例》). In order to improve employees’ sense of happiness and satisfaction, we provide employees with a variety of supplementary benefits and cares, such as holidays, annual physical examinations, mutual medical assistance, welfare benefits (canteen, commercial insurance, annual travel, etc.), business travel subsidies and employee purchase, etc.

We care for female employees and provide prenatal check-up leave and maternity leave to female employees, as well as breastfeeding leave (one hour per working day during the period from the end of maternity leave to the baby’s first birthday) to female employees complying with national childbearing policies. During the pandemic, adhering to a people-oriented approach, we launched the “WE care” project to support high-to-medium-risk areas seriously affected by the pandemic, and distributed our care package to all employees in Shanghai.

In order to maintain work-life balance of our employees, we organize kinds of activities on a regular basis to diversify their daily life. In Fiscal Year 2022, we have established five “Cola Clubs” (可樂部) to organize activities periodically, such as hip-hop, yoga, and ball games, which are open to all employees for free. Every year, we organize annual meetings, sports meetings, birthday parties, Christmas activities and others to enhance employees’ sense of belonging.



Hip-Hop Cola Club



Yoga Cola Club



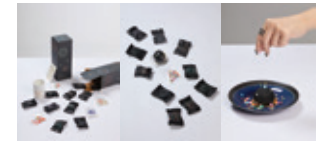
Basketball Cola Club



JNBY annual meeting



Pandemic vegetable care package



Mid-Autumn gift box for employees

#### Diversified employee benefits and activities

#### ➤ Lab about Nothing DIY on “Women’s Day”

On March 8, 2022, in celebration of the “Women’s Day”, all female employees were given a half-day holiday. We provided 62% off coupons to all regular female employees, and organized a DIY workshop in the Lab about Nothing. In addition, on March 3, we launched the “Spine Care Day” activity, providing healthcare services available for female employees only, and to further improve their sense of happiness and belonging.



Lab about Nothing DIY works on “Women’s Day”

#### 4.1.4 Labor standards

We strictly abide by the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Provisions on the Prohibition of Using Child Labor (《禁止使用童工規定》) and other relevant laws and regulations, and eliminate all potential illegal employment practices such as the employment of child labor and forced labor. Before employment, we strictly follow the identity review process, and all applicants shall present true and valid evidence of their identification to prevent the risk of child labor. Immediately after noticing any misuse of child labor, we will immediately terminate the labor contract with such labor and take proper follow-up measures in strict compliance with laws and regulations.

The Group adopts standard working hour system, integrated working hour system and irregular working hour system, and has obtained the permission from the competent administrative department. In addition, if an employee needs to work overtime due to work needs, he/she is required to apply for overtime work in advance to obtain approval from his/her superior. To avoid violation of labor standards, the Human Resources Center has set limits on overtime hours for each business department and carries out supervision and inspection.

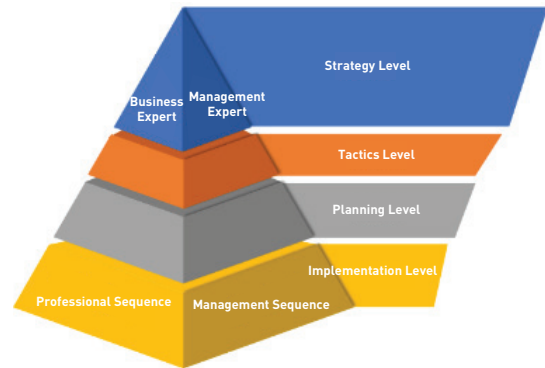
During the Fiscal Year 2022, no violations related to the employment of child labor or forced labor occurred in the Group.

## 4.2 TRAINING AND DEVELOPMENT

We attach great importance to the motivation and training of employees, continue to build and optimize the employee development system, provide employees with a clear and smooth development path, comprehensive and objective talent evaluation, and provide multi-level and multi-channel learning and development opportunities.

### 4.2.1 Career development channel

JNBY expects to provide extensive development space for its employees. We build a "fair, just and open" competition mechanism to open vertical or horizontal career channels for employees with equal emphasis on morality and talent. We divide it into management sequence and professional sequence based on different capabilities, tools and responsibilities required for work, and create targeted career promotion channels to meet the development pursuits of employees in different businesses, regions and fields, and realize individual value growth.



**JNBY employee career development channel**

### 4.2.2 Employee training

We attach great importance to employees' comprehensive quality and career growth, and have established the Headquarters' Administrative Measure for Training (《總部培訓管理辦法》). With principles of systematicness, institutionalization, initiative, diversification and efficiency, we carry out training work in an efficient and orderly manner, and provide employees with multi-level and multi-channel learning and development opportunities, so as to build a learning organization and continuously improve our competitiveness. We combined training needs with resource allocation, and training objectives with enterprise strategy to continuously improve employees' knowledge level and drive their career development.

Following the principle of diversification, the Group provided employees with various forms of training such as expatriate training, inviting external lecturers to provide training, internal training and online training. To help new employees get familiar with and adapt to the company's culture, systems and code of conduct, know about the Group and their jobs, and be competent for their work as soon as possible, we organized induction training and on-the-job training for new employees, providing information on company history, corporate culture, rules and regulations, job responsibilities, work norms, etc. In order to help the development of retained employees, we provided knowledge and skills training required for their positions, including general skills training, professional skills training and management skills training.

In Fiscal Year 2022, we carried out a series of training programs with JNBY's characteristics, such as project thinking reconstruction training, performance management training, and new manager training, to improve the comprehensive quality and professional level of employees and fully tap their potential.



**Special training camp for new managers**



**Project thinking reconstruction internal training**



**Performance management internal training**



**Training for new employees**

During the Reporting Period, 82.8% of employees in the Group received training and the average training duration per employee was 13.3 hours. The details about training are shown in the following table:

Key performance indicators		Percentage of employees trained	Average training hours completed
Gender	Male	29.7%	13.2
	Female	70.3%	13.3
Employment type	Senior management (responsible for strategies)	3.1%	36.5
	Middle-level management (responsible for planning)	8.8%	12.8
	Junior-level employee (responsible for implementation)	88.1%	12.5

### 4.3 HEALTH AND SAFETY

Safe production is one of the major responsibilities of an enterprise. We always strictly abide by the requirements of national laws and regulations such as the Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》), the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》), the Fire Protection Law of the People's Republic of China (《中華人民共和國消防法》) and the Measures for the Administration of Contingency Plans for Work Safety Accidents (《生產安全事故應急預案管理辦法》), have established a series of rules and regulations such as the Headquarters' Work Safety Management Policy (《總部安全生產管理制度》), the Comprehensive Contingency Plans for Work Safety Accidents (《安全生產綜合應急預案》), the Employees Occupational Injury Management Regime (《員工工傷管理制度》) and the Security Management Policy (《保安管理制度》), and have established a management system and a long-term effective mechanism of identifying and eliminating the potential risks of safety production accidents in accordance with the highest safety standards. In order to improve our employees' abilities to deal with safety risks and prevent accidents, we have carried out a series of safety culture construction and education and training to strengthen their safety education.

#### ➤ Pandemic Prevention and Control

During the pandemic, the Company has always put the health and safety of its employees in the first place. To ensure the health and safety of its employees, it carried out strict sterilization and personnel control every day in JNBY office building and OōELi park, and took measures such as temperature measurement in the lobby, pandemic prevention inspection in the lobby and pandemic prevention inspection in the canteen. In Fiscal Year 2022, we issued more than ten notices and announcements on the adjustment of pandemic prevention and control measures.

#### ➤ Fire Drill

We attach great importance to fire safety and have always strictly complied with fire safety regulations. We regularly carry out fire knowledge learning and fire drills related to security and production safety to improve employees' awareness of fire safety, so as to better prevent fire risks in the workplace.



Fire drill of JNBY

We are committed to creating a safe working environment for our employees and protecting them from occupational hazards. We regularly carry out occupational health knowledge training and provide physical examination for all employees once every year. The Group's key performance indicators during the Reporting Period are shown in the table below:

In this Fiscal Year, there were 79 lost days due to work injuries.

Key performance indicators	Number of employees
Number of work-related fatalities (Fiscal Year 2022)	0
Number of work-related fatalities (Fiscal Year 2021)	0
Number of work-related fatalities (Fiscal Year 2020)	0

#### 4.4 ADHERING TO BUSINESS ETHICS

The Company strictly abided by all laws and regulations related to business ethics, such as the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Law of the People's Republic of China Against Corruption and Bribery (《中華人民共和國反貪污賄賂法》), the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》), and the Interim Provisions on Banning Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》), to ensure the operational compliance of the Group. The Company pays attention to the construction of business ethics, integrity and compliance, and has formulated and issued relevant regulations such as Internal Audit Policy (《內部審計制度》), the Anti-fraud Policy (《反舞弊制度》), the Credibility and Integrity System (《誠信與廉潔制度》), the Code of Conduct for Employee (《員工行為準則》) and the Employees' Reward and Punishment Policy (《員工獎懲制度》). We also required key positions in major business departments, customers and suppliers to sign the Integrity Undertakings (《誠信承諾書》), continuously strengthened the integrity management of the Group and did our best to eliminate illegal acts such as bribery, extortion, fraud and money laundering.

We strive to build a sound business ethics management and supervision framework, provide smooth channels for compliance consultation, complaints and whistle-blowing, and strictly investigate violations against laws and regulations. We have set up 24-hour reporting hotline, integrity mailbox, DingTalk reporting channel and mailing address, as well as direct submission channel for integrity complaints on the official website (<http://www.jnbygroup.com/index.do>), which are made available to all employees, customers, supplier and partners to encourage internal employees and external parties to report suspicious behavior. The Internal Audit Department is responsible for accepting and evaluating all kinds of complaints, and transferring, assigning or supervising these cases according to the actual situations. Employees who are proved to have committed fraud will be punished in accordance with relevant regulations; if any law is violated, the case will be transferred to the judicial organ. Involved staff are required to keep confidential anonymous complaints and reporters. The legitimate rights of real-name and anonymous reporters are protected, and it is ensured that they will not suffer unfair treatment due to reporting.



## Reporting Channels

- Integrity mail-box: lz@jnby.com
- 24-hour reporting hotline: 0571-88496199
- DingTalk reporting: JNBY -> Employee Feedback -> Reporting
- Company website: <http://www.jnbygroup.com>, About Us -> Contact Us -> Supervision Hotline
- Mailing address: JNBY Internal Audit Department, 3rd Floor, O 5 ELI No.2 Building, 398 Tianmushan Road, Xihu District, Hangzhou, Zhejiang

We publicized compliance to the Board and regularly provided training, propaganda and education to employees, so as to ensure that directors and employees could understand all relevant contents of the Group's integrity policy and their responsibilities in complying with the Group's anti-fraud policy. Employees who are proved to have committed fraud will be punished in accordance with relevant regulations; if any law is violated, the case will be transferred to the judicial organ. In addition, the Group regularly conducted special audits to evaluate and update the Group's internal controls and implement rectification measures. The Group also required the Human Resources Center to investigate the educational background, work experience, integrity and behavior records of the applicant/employee to be recruited or promoted to important positions. It is prohibited to recruit or promote anyone with a record of fraud to an important position.

As of the end of this Fiscal Year, there was no corruption case in the Group.

## 5 GREEN DEVELOPMENT

The Group adheres to its green commitment, strictly abides by the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》) and other relevant laws and regulations, constantly improves environmental management system and optimizes environmental management measures. While paying attention to product innovation and quality control, we continue to integrate the concept of green development into our operations and product design, insist on resource conservation and environmental protection, and strive to minimize the impact on the natural environment during our operations, and contribute to the construction of ecological civilization where man and nature coexist harmoniously.

### 5.1 FULL UTILIZATION OF FABRICS

The Group has actively adopted effective measures including marking optimization and recycling to deal with waste of "fabric scraps" and "fabric stocks" in the industry, so as to effectively increase the utilization rate of fabrics and reduce their waste. We design and create the artwork of life such as dolls, ornaments and clothes by using spare and old fabric stocks, so as to realize recreation of every spare fabric and maximize its value.

In 2021, we established Lab about Nothing dedicated to re-imagination, reuse and recreation of all discarded textile fabrics. It is difficult for the laboratory to produce two identical products due to diversity of fabric scraps and accessories. Lab about Nothing started its journey of exploring the reuse of fabric stocks by making wall sound-absorbing panels from fabric stocks. Since its establishment, we have made many interesting products from fabric stocks, each with a unique meaning.

### > Light Up the Mirror Moon with Creativity

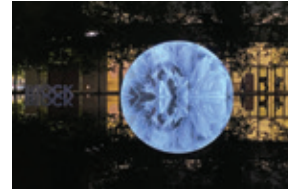
On the eve of the Mid-Autumn Festival in 2021, led by Hangzhou O<sup>o</sup>ELi and the buyer shop B10CK, the Mid-Autumn Festival Moon Art Installation (月亮藝術裝置) jointly completed by Imagokentics (想像力學實驗室) and Lab about Nothing was presented in Shuijing Square (水鏡廣場) of O<sup>o</sup>ELi. Lab about Nothing collected and carefully screened a variety of white stock scraps, made them into two semi-circular patchworks with a diameter of 6 meters, and installed them on a semi-circular steel frame. In the daytime, it is a moon with mottled textures of various fabrics on its surface under the sunlight, while at night, the screen made of fabric stocks presents a flowing and colorful new media visual image, showing two completely different moons in water.



Mini bow tie



JNBYHOME 5th anniversary computer bag



Beanbag



Tissue box

## 5.2 STRENGTHENING ENERGY CONSERVATION AND EMISSION REDUCTION

The Group pays attention to energy conservation and emission reduction in its daily operations to avoid resource waste. We continue to improve energy performance, improve the utilization efficiency of energy, paper and water resources, and take a series of measures to reduce resource consumption.

### Saving electricity

Further optimize the rules on the use of air conditioners, lights and curtains, and formulate the rules on the use of seasonal equipment to reduce energy waste

### Saving water

Water-saving slogans are posted in office places and induction faucets are installed to improve water utilization

### Saving paper

Save paper and reduce unnecessary printing times by such means as reducing the number of printers, default printing on both sides and calling for reuse via reminders

### ✓ Emission Reduction Target

By the end of Fiscal Year 2027, the annual electricity consumption per work station and the annual water consumption per work station of the Group's headquarters in OōELI, Hangzhou will decrease by 10% and 10%, respectively (as compared with Fiscal Year 2022)

During the Reporting Period, our KPIs for use of resources are as follows:

Key performance indicators	Fiscal Year 2022
Electricity consumption (MWh)	2,344.7
Electricity consumption per work station (MWh/work station)	1.7
Total energy consumption (MWh)	2,435.4
Including: Indirect energy consumption (MWh)	2,344.7
Direct energy consumption (MWh)	90.7
Energy consumption per work station (MWh/work station)	1.8
Water consumption (ton)	16,207.0
Water consumption per work station (ton/work station)	19.3
Consumption of packaging materials (ton)	1,215.5

#### Notes:

1. The energy consumed by the Group included electricity used in offices and motor vehicle oil. The total energy consumption was calculated according to the electricity consumption, oil consumption and the default values of fossil fuel related parameters as shown in the Appendix 1 of the Accounting Method and Reporting Guidelines of Greenhouse Gases Emissions of the Public Constructions Operating Enterprises (《公共建築運營企業溫室氣體排放核算方法與報告指南》) issued by the National Development and Reform Commission.
2. Domestic water from municipal water supply accounted for the main part of the Group's water consumption. Therefore, there was no problem in obtaining appropriate water source.
3. As the Group outsourced its production process, only the logistics center used packaging materials. Therefore, this report only discloses the consumption of packaging materials in the logistics center. The proportion of packaging materials used by each production unit is not applicable here.
4. The Group had no significant impact on the environment and natural resources during its operation. Therefore, A3 (The Environment and Natural Resources) and its key performance indicator A3.1 (Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them) are not applicable, relevant information is not disclosed in this ESG Report.
5. The data range of the Group's use of resources was adjusted in this Fiscal Year to only include the consumption of headquarters in OōELI, Hangzhou, and data comparison will be carried out in the 2023 Fiscal Year based on the target.

We continue to strengthen emission management and take a number of measures to reasonably control waste, strive to eliminate pollution at the source, and reduce the generation and emission of pollutants during its production and operation.

- Membership information has been electronically managed. Physical cards are replaced with electronic membership cards and electronic coupons;
- Garbage classification has been strictly enforced. Recycle bins are placed at locations where the garbage is generated, and the types of recycle bins are based on the types of garbage.

During the Reporting Period, our KPIs for emissions are as follows:

Key performance indicators	Fiscal Year 2022
Total GHG emissions (Scopes 1 and 2) (tCO <sub>2</sub> e)	1,671.8
Direct GHG emissions (Scope 1) (tCO <sub>2</sub> e)	22.3
Energy indirect GHG emissions (Scope 2) (tCO <sub>2</sub> e)	1,649.5
GHG emissions per work station (tCO <sub>2</sub> e/work station)	1.2
Wastewater amount (ton)	12,965.6
Total amount of non-hazardous waste (tons)	359.3
Total amount of non-hazardous waste per work station (Kg/m <sup>2</sup> )	260.2

Notes:

1. Based on its operations, the Group's greenhouse gas emissions mainly consist of the direct greenhouse gas emissions from the gasoline consumption of the Group's vehicles (Scope 1) and the indirect greenhouse gas emissions of energy caused by purchased power (Scope 2).
2. Greenhouse gas inventory includes carbon dioxide. GHG emissions are in carbon dioxide equivalence and is calculated based on the Accounting Method and Reporting Guidelines of Greenhouse Gases Emissions of the Public Constructions Operating Enterprises (《公共建築運營企業溫室氣體排放方法與報告指南》) issued by the National Development and Reform Commission.
3. The Group's operations do not involve the discharge of industrial wastewater. And the domestic wastewater generated from office space in daily operations is discharged into municipal pipelines for unified treatment.
4. The wastes generated in the Group's daily operations mainly include non-hazardous waste such as office waste and kitchen waste and a small amount of hazardous waste such as toner cartridges and ink cartridges. Domestic waste is uniformly treated by the municipal agencies. Toner cartridges are recycled by the suppliers. Therefore, KPI A1.3 (Total hazardous waste produced (in tons) and, where appropriate, intensity) is not applicable.
5. The data range of the Group was adjusted in this Fiscal Year to only include the consumption of headquarters in OōELi, Hangzhou, and data comparison will be carried out in the 2023 Fiscal Year based on the target.

We constantly deliver the low-carbon and green environmental protection concept to our employees, create a green office atmosphere, and carry out activities such as using self-owned coffee cups, online tree planting and collection of stories on World Environment Day to enhance our employees' awareness and capacity of environmental protection, so as to create sustainable fashion with JNBY characteristics together with our employees.



**Encouraging self-owned cups when buying coffee**

#### ➤ Arbor Day's Online Tree Planting Activity

In March 2022, JNBY launched the Arbor Day online tree planting activity. Nearly 200 employees joined the "JNBY Tree" activity, exchanged their low-carbon behaviors for energy, and earned extra points by participating in ESG Q&As. The activity recorded watering amounting to 943,736g and acquired 104,200g of energy for answering questions. We have successfully planted two firs, a *pinus sylvestris* and a *picea asperata*, bringing green to Liangshan Prefecture, Linxia and Dingxi that belongs to JNBY.

### 5.3 RESPONSE TO CLIMATE CHANGE

As a leading designer brand fashion group in China, we are committed to working with our employees, customers, supplier partners and communities to promote climate change response and continue to transform to low-carbon economy. In October 2021, JNBY became one of the first fashion brands to join the "30 • 60 Campaign" (China Fashion Brands for Swift Actions in Climate-related Innovation and Carbon Neutrality Campaign (中國時尚品牌氣候創新碳中和加速計劃)). We take the initiative to undertake more environmental responsibilities, support the "Fashion Climate Innovation Special Fund of China Green Carbon Foundation (中國綠色碳匯基金會時尚氣候創新專項基金)", and promote the low-carbon transformation of the industry, while actively communicating carbon reduction targets with our peers to promote an innovative model of climate action industrial chain synergy.



**JNBY joined the "30 • 60 Campaign" to promote low-carbon transformation of the industry**

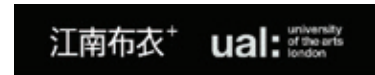
In order to actively address the potential operational risks that might be brought by extreme weather and natural disasters, we have established and implemented the Emergency Plan for Extreme Weather Disasters (《極端天氣災害應急預案》). We have established an emergency rescue leading group and an emergency rescue team with clear responsibilities, and the extreme weather is being monitored closely to avoid or mitigate the negative impacts of extreme weather on the Company's normal operation to the greatest extent, ensure the safety of the Company's property and employees' lives and property, and improve the Company's general ability in emergency. In order to improve the handling capacity of the Group's employees in sudden extreme weather, we carry out an emergency drill for extreme weather disasters every three years, actively strengthen the publicity of emergency knowledge and provide regular training, so as to improve the awareness of prevention and risk avoiding ability of employees.

## 6 SOCIAL WELFARE

JNBY always remembers its original mission of “realizing corporate value while giving back to the society”. We expect to bring more positive energy to the society with our own actions. In Fiscal Year 2022, the Group actively organized and participated in various social welfare activities, and continued to invest resources in areas such as education assistance and pandemic fighting, with the total charitable donations and other donations amounting to approximately RMB1.4 million on an accumulative basis.

### ➤ Central Saint Martins College of Art & Design Scholarship

JNBY always attaches great importance to originality and innovation capacity. In order to expose more talented students to cutting-edge international art and fashion concepts, support and motivate international fashion design talents, the Group announced to renew the scholarship cooperation with Central Saint Martins College of Art & Design in Fiscal Year 2022 to provide financial assistance and support to art students. The Group will pay full tuition for a graduate-level student each academic year for three consecutive years, and two of which are exclusively for Chinese students. The establishment of this scholarship demonstrates JNBY’s social responsibility as a modern Chinese enterprise and the concept of helping the innovation and diversified development of the fashion industry.



### ➤ Children’s Care Project in Guangyuan City, Sichuan Province

A thriving education makes a thriving country, while a powerful education makes a powerful country. JNBY believes that education is one of the greatest drivers of sustainable social development. As such, we actively carry out various student assistance activities to help students realize their ideals and their own value. In November 2021, JNBY donated RMB1.05 million to the Education Foundation of Zhejiang Gongshang University to support the implementation of the children’s care project in Guangyuan City, Sichuan Province and contribute to the development of education industry.



### ➤ Delivering Pandemic Prevention Materials to Frontline Workers

During the Spring Festival of 2022, due to recurrence of the pandemic in Hangzhou, public servants stayed on the front line of the pandemic to serve the people. JNBY, through Gudang sub-district office of Xihu District, Hangzhou City and the Charity Federation of Xihu District, Hangzhou City, cared for the pandemic staff in the sub-district office by donating 200 down coats and a large number of materials such as bread, instant noodles and milk to send its warmth in the cold winter and contribute to the smooth progress of the anti-pandemic work.

