



JCET Group Co., Ltd.
**Environmental, Social,
and Governance (ESG) Report**

2024

About This Report

This report is the third Environmental, Social, and Governance (ESG) report (hereinafter referred to as "the report") publicly released by JCET Group Co., Ltd. to the public. This report is prepared in accordance with the principles of objectivity, openness, and transparency, and aims to disclose JCET's sustainability philosophy, management practices, and key performance results for 2024 to its stakeholders.

Reporting Scope

Organizational Scope: For more information on the scope of this report, please refer to the attached Report Boundary Description.

Time Range: This report covers the period from January 1, 2024, to December 31, 2024. Some content may be extended beyond this timeframe as deemed appropriate. This report is an annual report.

Definition of Terms

For ease of expression and reading, JCET Group Co., Ltd. is referred to as "JCET," "the Company," or "we" in this report.

Basis of Preparation

This report has been compiled according to the *Guideline No.14 of Shanghai Stock Exchange for the Self-Regulation of Listed Companies – Sustainability Reporting (Trial)*, *Guidelines No. 4 of Shanghai Stock Exchange for the Self-Regulation of Listed Companies – Preparation of Sustainability Reports*, *Guidelines No. 1 of Shanghai Stock Exchange for the Self-Regulation of Listed Companies – Standardized Operation (2023)*. It also draws reference from the GRI Standards issued by the Global Sustainability Standards Board, the European Sustainability Reporting Standards (ESRS), and the United Nations Sustainable Development Goals (SDGs).

Source of Information

All the information and data used in the report are sourced from the Company's official documents, statistical reports, and financial statements, as well as sustainability-related information that have been gathered and reviewed by the Company. Unless otherwise specified, all monetary amounts mentioned in this report are measured in RMB.

Assurance of Accuracy

The Company assures that this report contains no false records, misleading statements, or significant omissions, and is accountable for the authenticity and accuracy of its content. This report has been reviewed by the Company's Board of Directors and is being publicly released.

Report Access & Contact

The electronic version of this report is available on our website at www.jcetglobal.com.

If you have any questions regarding this report, please feel free to contact us through the following channels:

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Message from the CEO



The year 2024 was a remarkable one for the global semiconductor industry. Emerging applications and new models infused the sector with strong growth momentum, such as high-performance computing and renewable energy. With the steadfast support of our partners and the joint efforts of all employees, JCET continued to explore new heights on the path of sustainable development.

Upholding the mission of "providing advanced and reliable integrated circuit back-end manufacturing technology and services for a smarter world," JCET has long embraced continuous innovation and transformation. We actively promote green development, implement low-carbon operations, pursue efficient resource utilization, and build green factories. In 2024, we took proactive steps to tackle climate change by reducing carbon emissions through effective actions, making steady progress towards our "dual carbon" targets. Significant improvements were achieved in water resource management, and we applied more rigorous and meticulous standards to our waste management systems, putting our commitment to sustainable and green development into action.

We firmly believe that integrity and compliance form the foundation of long-term sustainability. To this end, the Company continues to strengthen ESG governance and reinforce the three lines of defense for compliance and risk management. We also uphold the highest standards of business ethics, maintaining focus on key areas such as anti-corruption, fair competition, and intellectual property protection. These efforts enhance our management capabilities and help mitigate operational risks.

Sustained high-quality development calls for a resilient and agile form of strategic collaboration across the entire industry chain. In 2024, JCET leveraged platforms such as our Developer Conference to focus on the practical application needs of advanced packaging technologies, including process, materials, equipment, design, and testing. These efforts promoted the deeper integration of the semiconductor final product manufacturing ecosystem, with advanced packaging as a key enabling technology, and helped explore innovative models for industry-wide collaboration.

While pursuing our own growth, we have always adhered to a people-oriented approach and actively contributed to public welfare, striving to bridge economic performance and social responsibility. The JCET Environmental Protection and Health Charity Foundation continued to invest in diverse initiatives, covering environmental protection, medical and educational support, and the Yangtze River biodiversity conservation project. Led by JCET, the construction of the Packaging and Testing Museum has created an influential platform for both public science education and industry exchange. These small, steady contributions have accumulated into meaningful impact, and our commitment to corporate social responsibility has been recognized by stakeholders across sectors.

Through a year of exploration and action, JCET has achieved new growth and breakthroughs. We are fully aware that the road to sustainability is long and challenging, requiring continuous investment and unrelenting effort. In 2025, under the development theme of "extensive learning, rational discernment, thoughtful action, and steadfast execution," we will continue to enhance our core competitiveness and work hand in hand with all stakeholders to create a better future together.

Zheng Li, Director and Chief Executive Officer, JCET Group

April 2025

About JCET



Company Profile

JCET Group is a leading global provider of integrated circuit manufacturing and technology services, offering a full range of one-stop chip manufacturing solutions to semiconductor customers worldwide, covering microsystem integration, design simulation, wafer probing, chip and device packaging, final testing, product certification, and direct global shipment.

JCET remains committed to its mission of "providing advanced and reliable integrated circuit back-end manufacturing technology and services for a smarter world." The Company offers a full suite of advanced and comprehensive chip manufacturing technologies, including wafer-level packaging (WLP), 2.5D/3D packaging, system-in-package (SiP), flip chip packaging, wire bonding packaging, and advanced solutions for traditional packaging. These technologies are widely applied in automotive electronics, artificial intelligence, high-performance computing, high-density storage, network communications, smart devices, industrial and medical equipment, as well as power and energy sectors. JCET operates 8 plants and two R&D centers across China, South Korea, and Singapore, and maintains business operations in over 20 countries and regions worldwide, providing close technology collaboration and efficient supply chain support to global customers.

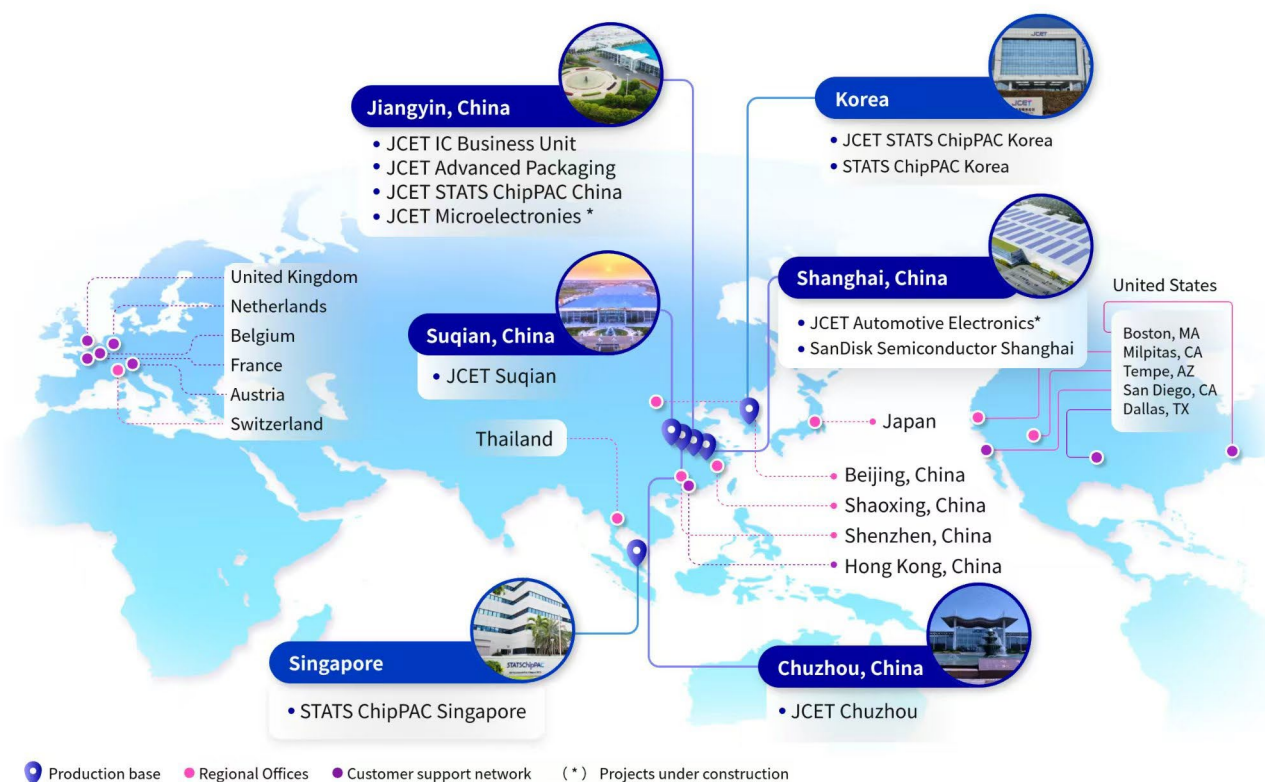
Our Mission

To provide advanced and reliable integrated circuit back-end manufacturing technology and services for a smarter world.

Our Vision

To become a world-class integrated circuit manufacturing and technology services provider that creates lasting value for shareholders, customers, employees, and society.

Global Business Layout



Introduction to the Company's existing plants:

8 existing plants (unless otherwise specified, "the 8 plants" in this report refer to those within the scope defined herein)

JCET Group Co., Ltd (JCET D3)

JCET (Suqian) Co., Ltd. (D8)

JCET (Chuzhou) Co., Ltd. (D9)

STATS ChipPAC Semiconductor (Jiangyin) Co., Ltd. (JSCC)

Jiangyin JCET Advanced Packaging Co., Ltd (JCAP)

STATS ChipPAC Pte. Ltd. (SCS)

STATS ChipPAC Korea Co., Ltd. (SCK)

JCET STATS ChipPAC Korea Co., Ltd. (JSCK)

Two plants under construction

JCET Microelectronics (Jiangyin) Co., Ltd.

JCET Automotive Electronics (Shanghai) Co., Ltd.

Newly acquired plant

SanDisk Semiconductor(Shanghai)Co., Ltd.



JCET in 2024

Key Achievements

February 2024

Following approval by the Company's 8th Board of Directors' 4th meeting and the 2024 First Extraordinary General Meeting of Shareholders, our subsidiary JCET Automotive Electronics (Shanghai) Co., Ltd. secured an RMB 4.4 billion investment from the National Integrated Circuit Industry Investment Fund (Phase II), Shanghai State-owned Assets Operation Co., Ltd., and Shanghai Integrated Circuit Industry Investment Fund (Phase II). The capital increase agreement, effective February 5, 2024, supports JCET's initiative to establish its first state-of-the-art automotive-grade chip smart manufacturing and lean production flagship facility.

April 2024

JCET unveiled a new generation of "5G+" communication chip packaging solutions, designed to enhance the reliability and performance of communication technology in challenging environments. This innovative packaging solution will provide robust support for communication equipment in cutting-edge fields such as mobile satellite internet, millimeter-wave communication, and integrated space-ground networks.

May 2024

JCET products received prestigious carbon emission certification from an authoritative institution. Two advanced packaging products from JCET subsidiaries, STATS ChipPAC Semiconductor (Jiangyin) Co., Ltd. and Jiangyin JCET Advanced Packaging Co., Ltd., were awarded product carbon footprint certificates by the renowned Centre Testing International Group. This certification confirms that the total greenhouse gas emissions throughout the product lifecycle, including raw material acquisition and manufacturing, have met or exceeded the expected carbon reduction targets, marking another significant milestone in the Company's green manufacturing and sustainable development efforts.

July 2024

In the 2024 "Asia's Best Executive Team" evaluation by the internationally respected financial media *Institutional Investor*, JCET garnered multiple accolades, including "Most Honored Company," for its outstanding industry leadership and exemplary investor relations. After a rigorous selection process, JCET ranked among the top semiconductor companies in the "2024 All-Asia Executive Team (excluding Japan)," "All-Asia Executive Team (Small & Midcap, excluding Japan)," and "All-Asia Executive Team (Chinese mainland, excluding Japan)" lists.

September 2024

JCET successfully completed the acquisition of an 80% stake in SanDisk Semiconductor (Shanghai) Co., Ltd. SanDisk Semiconductor specializes in the packaging and testing of advanced flash memory products, widely utilized in mobile communications, industry & IoT, automotive, smart home, and consumer electronics sectors. Its highly automated plant has earned numerous accolades, including the prestigious "Lighthouse Factory" designation, bolstering the Company's position as an internationally competitive smart and green manufacturing model enterprise.

JCET Microelectronics' wafer-level microsystem integration high-end manufacturing project officially commenced operations, offering comprehensive chip manufacturing services to meet global demand for high-performance chips and supporting applications across various high-value-added sectors.

October 2024

JCET's 12MW solar photovoltaic power station was successfully connected to the grid, providing green and clean electricity for the Company's production facilities. This milestone represents a significant step towards deepening sustainable development and establishing a new paradigm for green and intelligent manufacturing. The distributed solar photovoltaic power station project, centered on low-carbon energy, optimally utilizes over 140,000 square meters of rooftops and parking lots at JCET's Jiangyin Chengdong plant area, boasting a total capacity of 12MWp. It is projected to generate 11.5 million kWh annually, reducing CO₂ emissions by approximately 11,480 tons per year, and about 287,000 tons over its 25-year lifecycle – equivalent to planting 15.69 million trees.

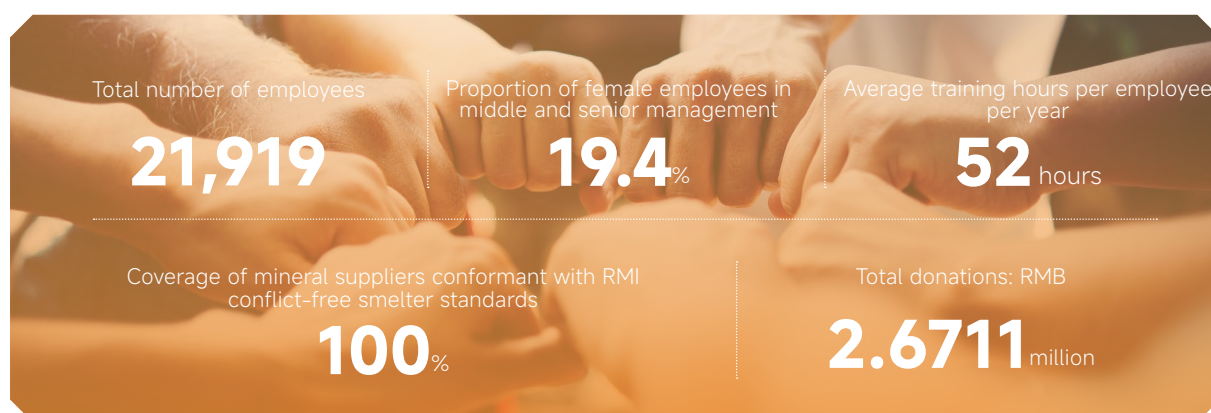
November 2024

JCET hosted its inaugural Advanced Packaging Developers Conference in Shanghai. The conference centered on processes, materials, equipment, design, and testing technologies crucial for advanced packaging-based development scenarios. Nearly 300 professionals from the advanced packaging ecosystem participated, engaging in discussions on challenges and opportunities in technology development, promoting the verification and implementation of forward-looking technologies, and exploring innovative models for industry collaboration.

November 2024

JCET co-organized the "Protecting the Beautiful Yangtze - Endangered Fish Scientific Release" event in collaboration with the Jiangyin Municipal People's Government and Wuxi Charity Federation. The initiative saw the release of 430 Chinese sturgeons and 20,000 mullets, contributing to the restoration of the Yangtze River ecosystem and raising public awareness of ecological conservation. It aims to make a meaningful contribution to the ongoing ecological conservation of the Yangtze River, striving to collectively realize the vision of harmonious coexistence between humanity and nature.

Key Performance Indicators



Awards & Honors

Fortune China **500** Listed Companies

Institutional Investor Asia Region (excluding Japan) - Semiconductor Sector

Most Honored Company
Best Environmental, Social and Governance (ESG)
 (2nd in Sales Ranking)

CPC Jiangyin High-Tech Industrial Development Zone
 Working Committee and Management Committee

Ecological Governance Advanced Unit

Wuxi Charity Federation and Wuxi Charity Association

First "Light of Charity" Caring Enterprise Award

Times Responsibility 40 Forum Think Tank
2024 China Manufacturing Listed Companies
Social Responsibility Five-Star Gold Award

AON Group

2024 China Best ESG Employer

Panorama Network

Outstanding ESG Value Communication Award

China Association for Public Companies

2024 Listed Companies ESG Excellent Practice Case

ESG Ratings

MSCI
 ESG RATINGS

MSCI: BB



**CDP: Climate Change B,
 Water Security B**

Wind ESG

Wind: A

中证指数
 CHINA SECURITIES INDEX

CSI: BBB

商道融绿
 SynTao Green Finance

SynTao Green Finance: A-



Sino-Securities Index: A

Sustainable Development Management



Sustainable Development Governance Structure

JCET seamlessly integrates sustainable development management into its corporate strategy. The Company has established a robust ESG governance structure by clarifying ESG management concepts, implementing standardized ESG management systems, and creating efficient ESG management mechanisms. This approach effectively incorporates ESG strategies into various departments and key business processes, constantly enhancing the Company's top-down ESG participation and management capabilities.

The Company has constructed a comprehensive, three-tiered ESG governance structure encompassing decision-making, management, and execution levels. The Board of Directors and its Strategy Committee focus on developing a sustainable ecosystem, promoting medium and long-term green and low-carbon development. They play a pivotal role in formulating the Company's ESG vision, goals, strategies, and structure, while overseeing ESG implementation. Under the Board's guidance, an ESG Committee has been established, chaired by Director and CEO Zheng Li. This committee is responsible for approving ESG strategic planning and working mechanisms aligned with the Company's situation, managing material ESG issues, and setting ESG goals. An ESG Executive Group operates under the ESG Committee, managing daily ESG activities, promoting implementation across departments and plants, collecting ESG data, providing decision-making information, and regularly reporting major progress and achievement to the ESG Committee. The Board of Directors receives annual ESG progress reports from the ESG Committee, ensuring effective implementation and risk management. During the reporting period, the Company effectively managed material issues assessment, key ESG matters, and goal achievements. Specialized ESG training was also organized, covering ESG trends, rating interpretations, and management improvements to enhance ESG implementation.

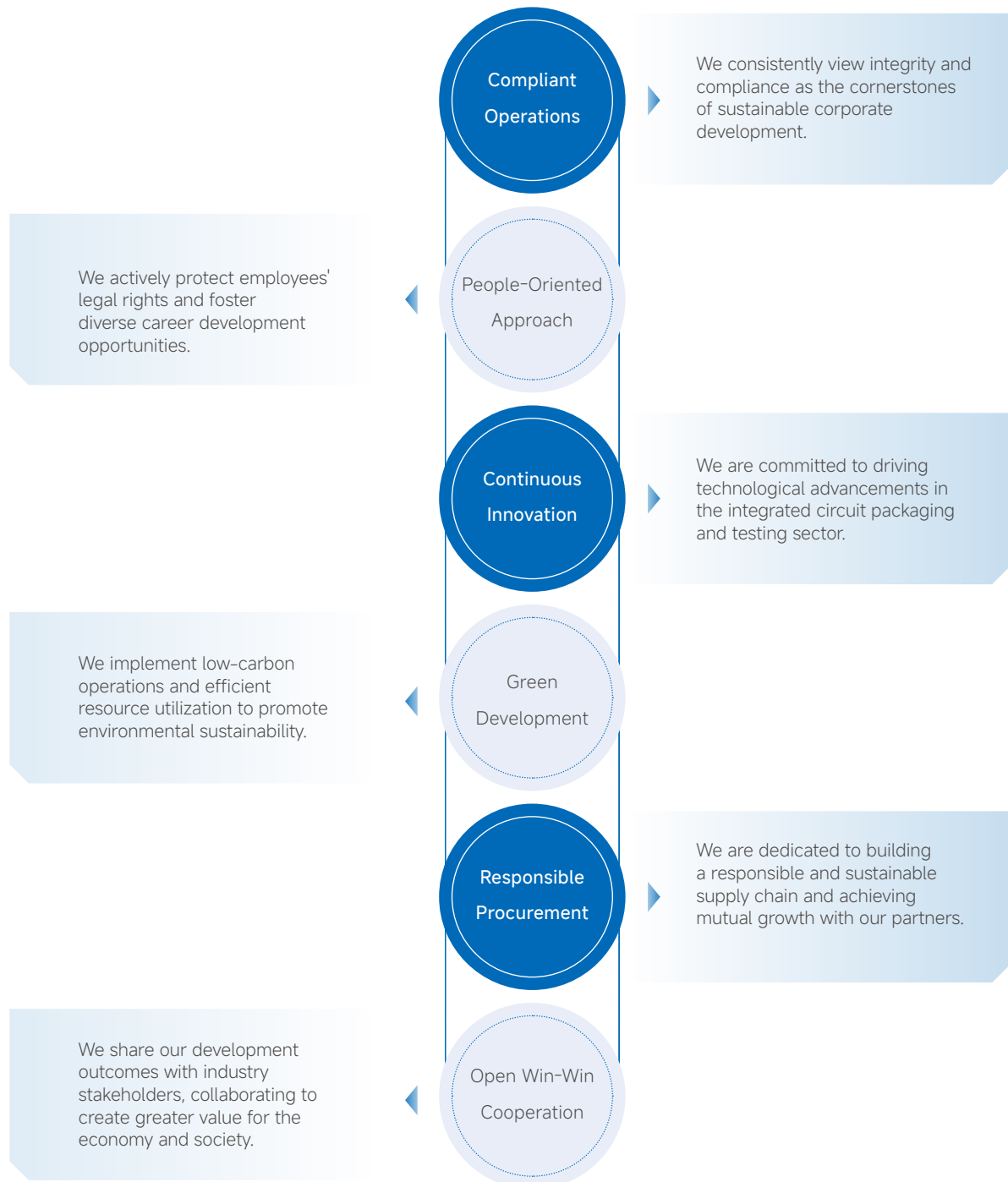
JCET's ESG Governance Structure





Sustainable Development Strategy

A robust sustainable development strategy is essential for achieving long-term sustainability objectives. As a global leader in integrated circuit manufacturing, JCET adheres to a comprehensive ESG strategy that focuses on compliant operations, a people-oriented approach, continuous innovation, green development, responsible procurement, and open, win-win cooperation. The Company has seamlessly integrated systematic ESG governance into its daily operations, not only pursuing its own sustainable growth but also actively contributing to the advancement of the industry and society at large.





Stakeholder Engagement

JCET respects the expectations of its stakeholders and adheres to the principles of integrity, engagement, equality, and transparency. The Company consistently improves its stakeholder engagement mechanisms and communication channels to better understand stakeholder concerns. These insights help define JCET's ESG strategy and identify material ESG topics, enabling stakeholders to effectively participate in the Company's ESG governance.

Stakeholders	Issues of Concern	Communication Channels and Methods
 Shareholders & Investors	Corporate governance Compliance and risk management Business ethics and anti-corruption Investor relations and shareholder rights Clean technology opportunities	General meeting of shareholders Roadshow and performance briefing Investor hotline and email Regular information disclosure (annual financial report, ESG report, WeChat official account, company website, etc.)
 Government and Regulatory Bodies	Compliance and risk management Business ethics and anti-corruption Emissions and waste management Resource utilization and circular economy	Specialized meetings or reports Compliance oversight and inspection Regular information disclosure (annual financial report, ESG report, WeChat official account, company website, etc.) Communication with industry associations and other organizations
 Customers	Product quality and safety Customer relationship management Innovation-driven development Information security and privacy protection Climate change mitigation Responsible minerals	Customer satisfaction survey Senior-level customer engagements Customer & third-party audits After-sales service
 Employees	Labor and human rights management Diversity and equal opportunities Talent training and development Occupational Health and Safety Chemical safety	Trade union Open dialogue mechanism Grievance and communication channels Employee Training
 Partners & Suppliers	Product quality and safety Responsible mineral sourcing Sustainable supply chain Climate change mitigation	Exchanges and visits Thematic Training Supplier audit and communication Industry seminars and exchanges Open cooperation
 Community and Public	Climate change mitigation Environmental protection Biological diversity Community engagement (including public welfare volunteering and rural revitalization support)	Communication activities Media interaction Public welfare volunteer activities Public channels such as the JCET's official website and WeChat official account



Materiality Issues Management

JCET integrates stakeholder concerns as a crucial factor in formulating its ESG development strategy. The implementation of systematic material issue management serves as the foundation for our ESG planning, risk and opportunity management, and information disclosure.

The Company conducts comprehensive annual materiality analyses. In 2024, we refined our analysis methodology to align with the latest disclosure standards, including the *GRI Standards*, the *Guidelines No. 14 of Shanghai Stock Exchange for the Self-Regulation of Listed Companies—Sustainability Report (Trial)*, and the *European Sustainability Reporting Standards (ESRS)*. By combining these standards with our unique business characteristics, we conducted a robust double materiality assessment, thoroughly analyzing the financial, economic, environmental, and social impacts of ESG issues on the Company. Based on the identification results, we strategically adjust our ESG work arrangements, ensuring effective implementation and continuous optimization of ESG-related activities. This report provides focused responses to the identified material issues.

JCET’s Double Materiality Assessment Process for 2024

Step 1	Identifying ESG Issues
Develop a comprehensive list of ESG issues by analyzing macro policies in operational locations and industry-specific standards. This process involves examining both internal and external development trends to pinpoint significant general and industry-specific issues: 1 ▶ Reference authoritative international and domestic sustainability reporting guidelines, including the <i>Guidelines No. 14 of Shanghai Stock Exchange for the Self-Regulation of Listed Companies—Sustainability Report (Trial)</i>, the <i>GRI Standards</i>, and the International Sustainability Standards Board (ISSB) disclosure standards. 2 ▶ Evaluate mainstream domestic and international ESG rating systems (MSCI ESG Ratings, S&P CSA Ratings, CDP Ratings, etc.) and sustainability issues prevalent in the industry. 3 ▶ Identify additional issues of financial or impact materiality by taking into account stakeholder concerns, industry characteristics, stage of industry development, the Company’s business model, and its position along the value chain. 4 ▶ Seek and incorporate expert opinions.	
Step 2	Stakeholder Engagement and Materiality Analysis
Engage with key internal and external stakeholder groups to conduct surveys in line with the principle of double materiality. Perform both impact and financial materiality assessments to develop the 2024 materiality matrix and determine the year’s key material issues and their prioritization. Stakeholders involved include directors, senior management, employees, customers, suppliers, investors, government officials, media, and the general public. Impact Materiality Assessment Identifying impact materiality assessment factors Define impact materiality assessment factors, including the scale, scope, irremediability, and likelihood of potential impacts. Establish a scoring framework to evaluate each issue accordingly. Setting thresholds for determining impact materiality Set thresholds to determine whether each issue qualifies as impact materiality. Conducting key stakeholder surveys Engage with key stakeholders through surveys and dialogue to assess each issue in terms of impact scale, scope, irremediability, and likelihood. Drawing conclusions on impact materiality Conclude the assessment by comparing each issue’s impact score against the established thresholds, drawing on stakeholder input and expert evaluations.	

Financial Materiality Assessment

Identifying financial materiality assessment factors

Define financial materiality assessment factors. Set thresholds to determine whether an issue qualifies as financially material, considering both the likelihood and magnitude of financial impact.

Conducting key stakeholder surveys

Engage with key stakeholders through surveys and dialogue to evaluate and identify financially materiality issues.

Setting thresholds for determining financial materiality

Set thresholds to determine whether each issue is financially materiality.

Draw conclusions on financial materiality

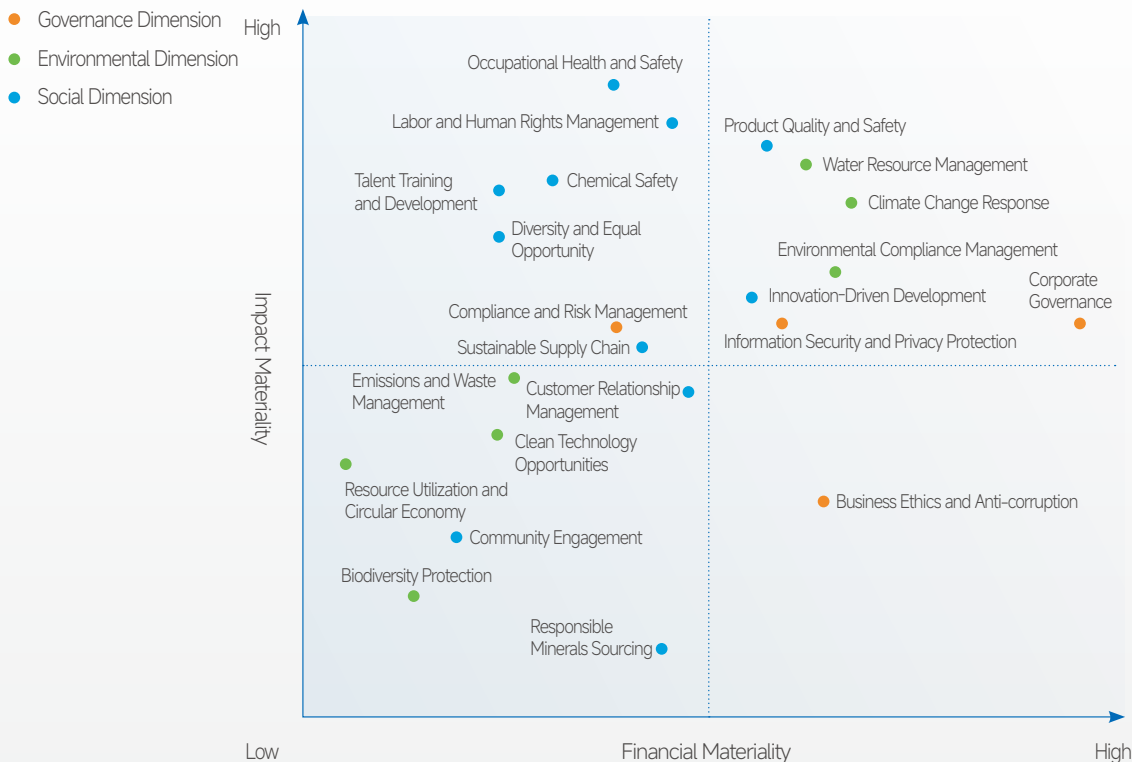
Compare the financial materiality scores of each issue against the thresholds based on stakeholder input or expert evaluations to conclude the assessment results.

Step 3

Issue Confirmation and Reporting

Integrate the results of both impact and financial materiality assessments. Review the identified material issues through both internal management evaluations and consultations with external experts. The ESG Committee is responsible for reviewing and confirming the final outcomes. For each financially material issue, the report provides focused disclosures on key dimensions, including governance, strategy, risk and opportunity management, as well as relevant indicators and targets.

JCET's Materiality Matrix



Materiality Issues	Impact Scope			Risks	Opportunities	Impact Period
	Upstream	Company Operations	Downstream			
Environmental Compliance Management		✓	✓	Inadequate management may result in fines or operational suspension due to regulatory non-compliance.	Enhanced environmental management can improve operational stability and bolster the Company's reputation and image.	Short-term
Climate Change Response	✓	✓	✓	Climate-induced natural disasters, energy supply volatility, policy shifts, and changing market preferences pose physical and transition risks that could impact operations and profitability.	Strengthening the Company's resilience to climate risks.	Medium to long-term
Clean Technology Opportunities		✓	✓	Failure to recognize and seize clean technology opportunities may result in declining market share.	Improved delivery of innovative products and services, enhancing market competitiveness.	Medium to long-term
Water Resource Management		✓		Water scarcity could lead to reduced supply capacity, increased costs, and diminished profits.	Enhancing water resource management capabilities to reduce overall water usage costs.	Medium to long-term
Emissions and Waste Management		✓	✓	Non-compliant emissions or disposal of the "three wastes" may negatively impact the surrounding environment and public health, resulting in fines, strained community relations, or legal action.	Effective management practices contribute to stable operations and enhance the Company's reputation.	Short-term
Resource Utilization and Circular Economy		✓		Inefficient resource use results in high waste treatment costs.	Reducing raw material and energy consumption.	Medium to long-term
Biodiversity Protection	✓	✓		Facility construction may have minor impacts on vegetation and small animal habitats.	Ensuring sustainable development of the natural environment.	Long-term
Product Quality and Safety	✓	✓	✓	Quality issues could necessitate product recalls, leading to significant economic losses, reputational damage, and reduced market competitiveness.	High-quality products can increase customer trust, enhancing the Company's reputation and market share.	Short-term
Innovation-Driven Development	✓	✓	✓	Lagging in R&D may result in products failing to meet evolving market demands.	Strong innovation capabilities can enhance competitiveness and maintain industry leadership.	Medium to long-term

Materiality Issues	Impact Scope			Risks	Opportunities	Impact Period
	Upstream	Company Operations	Downstream			
Customer Relationship Management		✓	✓	Neglecting customer needs or providing negative experiences may erode trust.	Excellent customer service can increase customer loyalty; effective communication can better inform product development.	Medium-term
Sustainable Supply Chain	✓	✓		Supply chain risks may lead to instability, affecting production and operations; ongoing supplier development may incur additional costs.	A sustainable supply chain enhances supply stability and promotes the healthy development of supply chain partners.	Medium to long-term
Responsible Minerals Sourcing	✓	✓	✓	Sourcing conflict minerals may lead to non-compliance with customer requirements and public criticism.	Facilitating entry into stringent markets; responsible sourcing aids in reducing violence, protecting human rights and the environment.	Medium-term
Chemical Safety	✓	✓	✓	Chemical leaks or misuse may endanger employee and consumer health, potentially leading to legal disputes.	Compliance with international chemical safety standards enhances market competitiveness.	Medium to long-term
Labor and Human Rights Management	✓	✓	✓	Violations of laws or international standards may pose legal and reputational risks; inadequate employee rights protection may affect production stability.	Mitigating human rights compliance risks, reducing employee turnover, improving productivity, and cultivating a positive employer brand.	Short-term
Occupational Health and Safety		✓		Workplace accidents may result in medical compensation, production losses, and potential litigation.	Reducing accident-related work stoppages, ensuring production continuity.	Short-term
Diversity and Equal Opportunity		✓		Lack of a diverse and equitable work environment hinders internal collaboration.	Diverse teams bring broader perspectives; an inclusive culture attracts talent, fostering enterprise development.	Medium to long-term

Materiality Issues	Impact Scope			Risks	Opportunities	Impact Period
	Upstream	Company Operations	Downstream			
Talent Training and Development		✓		Ineffective or untimely employee training may lead to outdated management practices and technology, affecting productivity.	Professional, systematic training builds high-quality teams, enhancing employee engagement and a sense of belonging.	Medium to long-term
Information Security and Privacy Protection	✓	✓	✓	Data breaches may result in compliance risks, financial losses, violation of customer rights, reduced trust, and reputational damage.	Robust information security maintains strong company-customer relationships, enhancing trust, reputation, and market share.	Short-term
Community Engagement (including charity and rural revitalization)		✓		Disregarding community interests may damage the Company's image.	Building trust with communities facilitates access to local resources and support.	Long-term
Corporate Governance	✓	✓	✓	Inadequate governance may lead to financial losses, reputational damage, and legal penalties.	Effective corporate governance not only mitigates risks but also creates long-term value.	Medium to long-term
Compliance and Risk Management	✓	✓	✓	Poor compliance management may result in regulatory pressure, litigation, operational disruptions, and reputational damage.	Strong compliance and risk management practices promote stable business operations.	Long-term
Business Ethics and Anti-corruption	✓	✓	✓	Ethical violations may lead to regulatory penalties and legal risks, affecting company credibility and brand image.	Enhancing customer and investor trust while reducing legal and financial risks.	Long-term

01

Stable and Efficient Operations

- Female director representation
22.2%
- Business ethics and anti-corruption training coverage
100%
- Achieved an **A**-grade rating in information disclosure evaluation by the Shanghai Stock Exchange for three consecutive years.

8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



16 PEACE, JUSTICE AND STRONG INSTITUTIONS





Corporate Governance

Corporate Governance Structure

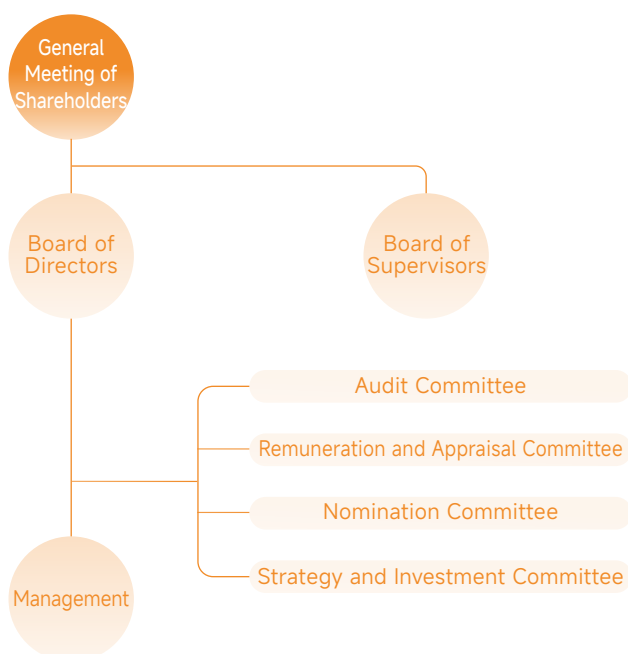
Compliant operation serves as the cornerstone of a company's long-term development. JCET rigorously adheres to relevant laws, regulations, and normative documents, including the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies*, the *Listing Rules of the Shanghai Stock Exchange*, and the *Measures for the Administration of Information Disclosure of Listed Companies*. The Company has implemented a standardized corporate governance structure and effective decision-making procedures, constantly refining, streamlining, and enhancing its internal control systems at all levels to safeguard JCET's sustainable development. The Company has established a robust corporate governance structure comprising the General Meeting of Shareholders, Board of Directors, Board of Supervisors, and Management. Each entity operates under comprehensive working systems and procedural rules, creating an effective mechanism with a clear delineation of powers and responsibilities, mutual communication, and checks and balances among the power organ, decision-making body, supervisory body, and executive body, thereby consistently elevating the Company's governance standards.

The General Meeting of Shareholders serves as the Company's highest authority, exercising decision-making power on critical issues such as operating policies, investment plans, and profit distribution in accordance with the law. The Board of Directors functions as the Company's operational decision-making center, supported by four specialized committees: the Audit Committee, Remuneration and Appraisal Committee, Nomination Committee, and Strategy and Investment Committee. These committees provide expert opinions and recommendations for the Company's development and decision-making from diverse perspectives. The election and replacement of non-employee representative directors and supervisors on the Board of Directors and Board of Supervisors are determined by the General Meeting of Shareholders. Independent directors constitute the majority and serve as conveners in the Nomination Committee, Remuneration and Appraisal Committee, and Audit Committee. An independent director with accounting expertise convenes the Audit Committee, facilitating the independent directors' role in these committees and ensuring more impartial oversight of the Company's internal affairs. The Board of Supervisors, as the supervisory body, is accountable to the General Meeting of Shareholders. It effectively monitors the Company's finances and ensures legal compliance of directors and senior management in performing their duties, thus safeguarding the legitimate rights and interests of the Company and its shareholders.



Key Performance

- Held **5** General Meetings of Shareholders during the year.
- Held **10** Board of Directors meetings during the year.
- Held **8** Board of Supervisors meetings during the year.
- Held **7** Audit Committee meetings, **2** Remuneration and Appraisal Committee meetings, **3** Nomination Committee meetings throughout the year.



Board Effectiveness and Diversity

Board diversity is a critical factor in supporting the Company's strategic objectives and sustainable development. JCET actively promotes diversity within its Board of Directors across dimensions including gender, cultural background, educational attainment, professional skills, and other relevant aspects, ensuring scientifically sound and effective decision-making by the Board.

The Board comprises seasoned professionals from various relevant industries, each possessing extensive expertise and practical experience. This diverse composition enables the provision of professional insights and recommendations for the Company's development and decision-making from multifaceted perspectives. JCET fully leverages the roles of its various Board committees. For instance, the Nomination Committee incorporates diversity considerations in its director selection and re-election processes, comprehensively evaluating candidates based on their educational backgrounds, industry experience, technical expertise, professional knowledge, and work history. This approach maintains an optimal balance of talents, skills, experience, gender, age, and cultural and educational backgrounds within the Board. The Company conducts regular Audit Committee meetings to review accountants' reports on audits and periodic company reports, establishing higher standards and requirements while reinforcing the responsibility of independent third parties. Prior to selecting an accounting firm, the Audit Committee conducts thorough preliminary reviews of candidate firms' qualifications and professional capabilities, scrutinizing the selection background and procedural compliance. This process provides robust support for decision-making by both the Board and the General Meeting of Shareholders. In 2024, JCET convened 12 specialized committee meetings. Through active participation and proactive communication by committee members, these meetings ensured comprehensive proposals, standardized procedures, thorough discussions, and democratic deliberation, thereby enhancing the quality of Board decision-making.



Recipient of the Round Table Award for
Best Board of Directors

Recognized by the China Association for
Public Companies with
**the 2024 Best Practice Case Award for
Listed Company Boards of Directors.**

Name	Position	Gender	Professional Knowledge and Skills						
			Strategic Planning	Finance & Accounting	Risk Management	Technical R&D	Marketing	Industry Experience	Environment & Sustainability
Quan Huaqiang	Chairman	Male	✓	✓	✓				✓
Chen Rong	Director	Male	✓	✓	✓				
Liang Zheng	Director	Male	✓	✓	✓				
Hou Huawei	Director	Male	✓	✓	✓			✓	
Zheng Li	Director	Male	✓		✓		✓	✓	✓
Luo Hongwei	Director	Male	✓		✓		✓	✓	✓
Shi Ying	Independent Director	Female	✓		✓	✓	✓	✓	✓
Li Jianxin	Independent Director	Female	✓	✓	✓				
Tieer Gu	Independent Director	Male	✓		✓	✓	✓	✓	✓

Protection of Investor Rights

JCET rigorously adheres to the *Rules for General Meetings of Shareholders of Listed Companies*, the *Company's Articles of Association*, and the *Rules of Procedure for General Meeting of Shareholders*, among other pertinent regulations. The Company organizes and conducts general meetings of shareholders in a systematic and orderly manner, ensuring equitable treatment of all shareholders. JCET is committed to safeguarding the equal rights of all shareholders, with particular attention to minority shareholders, and strives to facilitate their participation in general meetings of shareholders. This approach enables shareholders to fully exercise their rights and protects their legitimate interests. The Company consistently selects accessible locations for its general meeting of shareholders, maintaining continuity by using established venues. In compliance with regulations, JCET issues meeting notices well in advance, promptly communicating all relevant information.

Standardized Information Disclosure

JCET meticulously complies with the relevant provisions of the *Securities Law of the People's Republic of China*, the *Measures for the Administration of Information Disclosure of Listed Companies*, and the *Guidelines for the Reporting of Insiders with Access to Inside Information of Listed Companies on the Shanghai Stock Exchange*, among other regulatory documents. The Company diligently fulfills its information disclosure obligations, ensuring that all disclosures are truthful, accurate, comprehensive, and timely. In 2024, JCET published 132 announcements and online documents in accordance with regulations, comprising 4 periodic reports and 83 ad hoc announcements. This practice ensures equal access to information for all shareholders. Throughout the reporting period, the Company's information disclosures were free from false records, misleading statements, material omissions, or other improper disclosures. Furthermore, JCET closely monitored public opinion and market trading conditions, effectively safeguarding investors' legitimate interests through fair information disclosure.



Achieved **A**-grade rating in information disclosure evaluation by the Shanghai Stock Exchange for three consecutive years.

Investor Relations Management

JCET places significant emphasis on investor relations management, constantly enhancing its diverse investor communication channels. The Company promptly addresses investor concerns through various online platforms, including investor hotlines, IR email, and the sseinfo.com platform. JCET proactively engages in investor relations management activities to improve corporate information transparency. The Company genuinely values the opinions and suggestions of both shareholders and potential investors, actively fostering a positive and interactive ecosystem with its investor base. In 2024, JCET introduced a novel approach to help investors understand its history and business layout by organizing tours of the newly established packaging and testing museum.

The Company's general meetings of shareholders employ a hybrid model, combining on-site and online voting methods. This approach facilitates minority shareholders' participation through digital channels, increasing their involvement in corporate decision-making. For major issues that may affect the interests of minority investors, JCET separately tabulates and discloses their voting results. The Company leverages modern information technology to expand shareholder participation in general meetings, ensuring that all investors, particularly minority shareholders, have the right to be informed and participate in significant corporate matters. Through online and other diverse channels, JCET engages in dialogue with investors, attentively listening to the concerns and demands of minority shareholders, and promptly addressing their inquiries.



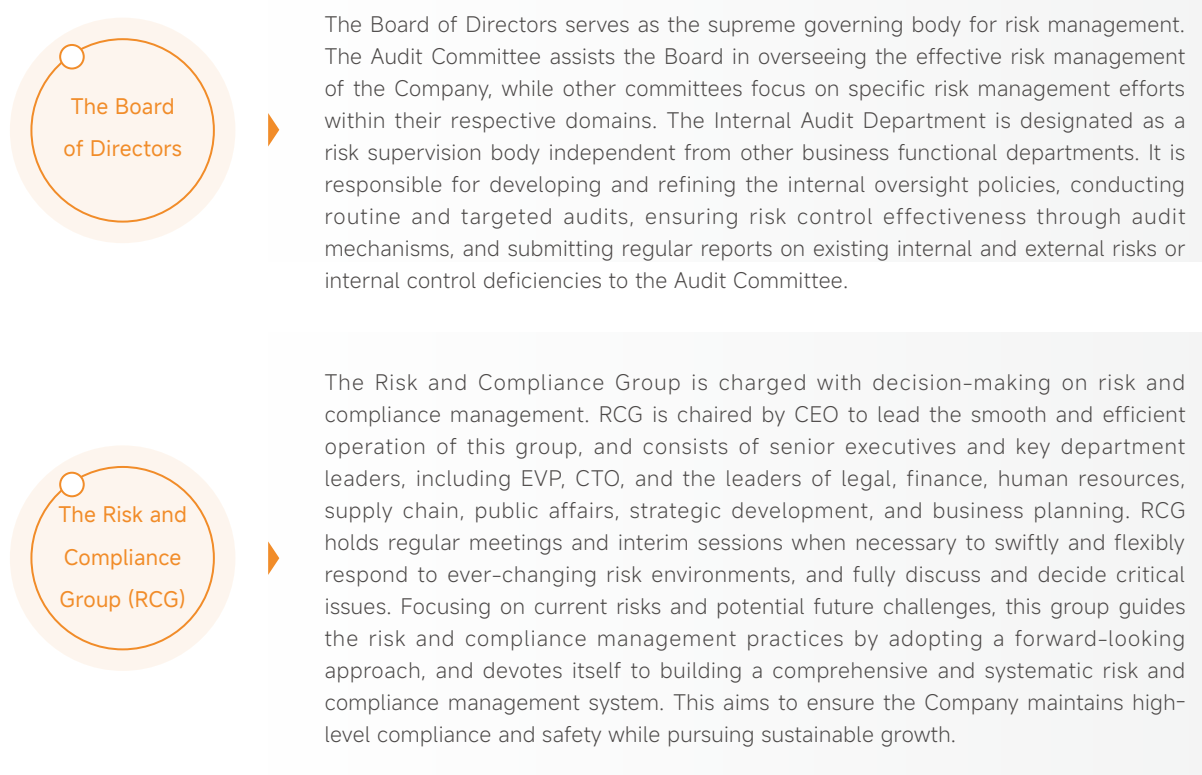
Received **the 15th China Listed Company Investor Relations Tianma Award by the *Securities Times***
Recognized **by the China Association for Public Companies for Excellent Practices in 2023 Annual Report Performance Briefings by Listed Companies**
Ranked **No.2**
in Best Investor Relations Teams in Asia 2024 by *Institutional Investor*

Key performance		
Investor site visits hosted	Broker strategy conferences participated in	Inquiries responded to via online platforms
48	82	105
Investor calls answered throughout the year	Performance briefings conducted	Interactions via the WeChat official account
411	3 times	70

Risk Control and Compliance

To effectively prevent and defuse major risks, JCET has developed the *Risk Management Standard* in line with the *Guidelines on Comprehensive Risk Management of Central Enterprises*, the *Basic Standards for Enterprise Internal Control* and its supporting guidelines. Under the guidance of this internal document, the Company has defined the overall objectives and basic processes for risk management, established risk assessment criteria, identified and analyzed existing risks such as international political dynamics, market competition, technological innovation, and talent competition, and taken more concrete actions to effectively control risks.

Risk Management Structure



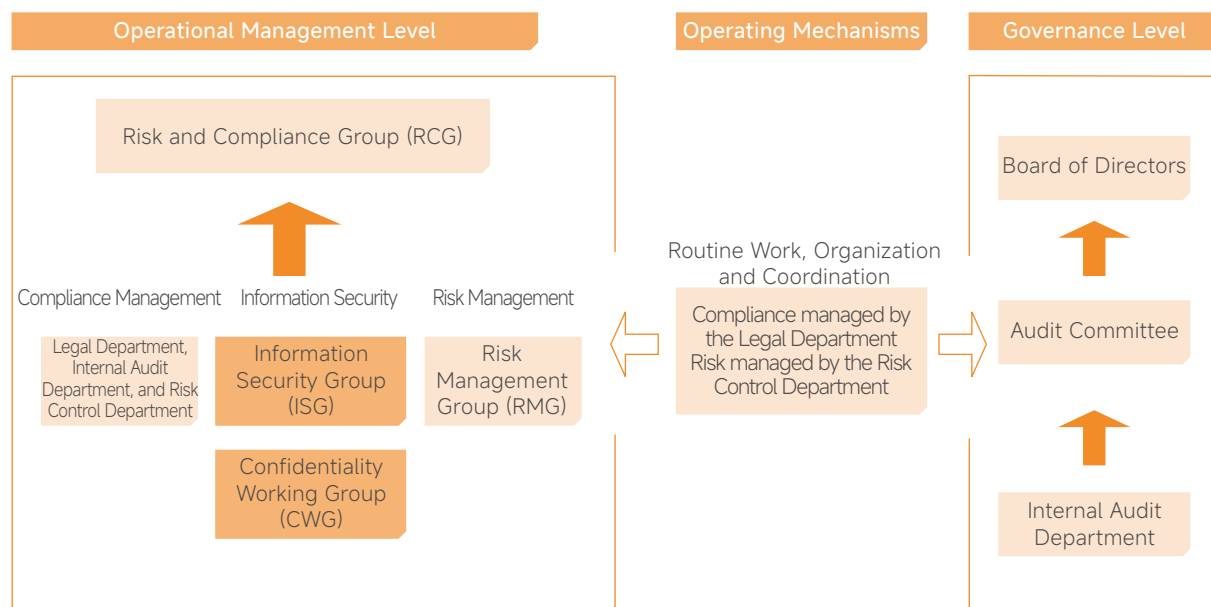
Risk Management Functions >



Compliance Management Functions >

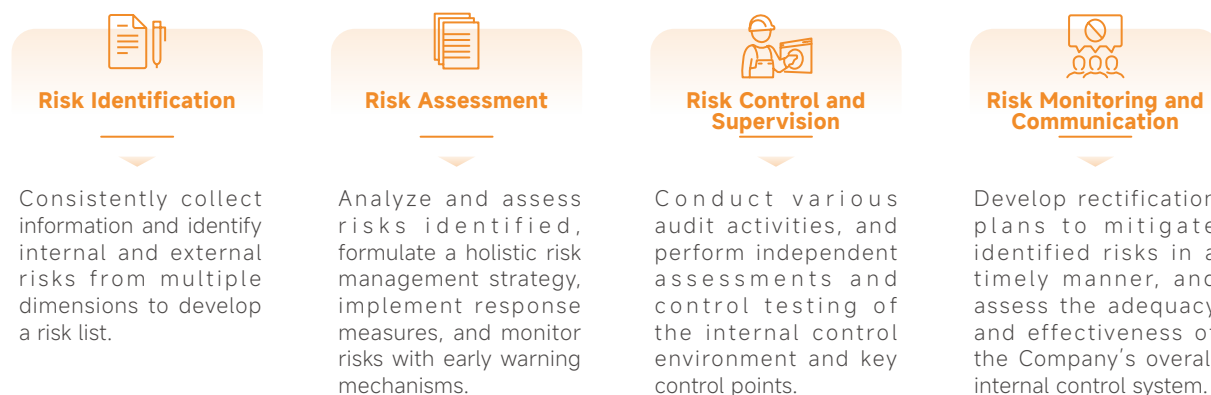
Discuss compliance management priorities, including deliberating on and approving compliance policies and regulatory documents; supervising and guiding compliance investigations; receiving briefings on solutions to compliance cases; making decisions on punishments for major violations such as those involving senior executives.

JCET consistently enhances its corporate risk management system and regularly organizes relevant departments to identify risks related to quality, safety, environmental protection, and anti-corruption. It has established a three-lines-of-defense structure, with clearly defined roles and responsibilities from frontline operations to senior management, ensuring coordinated and effective risk control across the Company.



Risk Identification and Response

JCET has formulated *the Risk Management Standards*, *the Management Norms on Internal Control Self-Assessment*, and *the Internal Control Manual* which regulate risk assessment and management processes. These internal documents present a standard-based approach to the entire risk control process, including risk identification, assessment, control, supervision, monitoring, and communication across the core business segments. In line with these documents, the Company promptly identifies and assesses risk sources in its business operation, and controls and supervises risks related to investment, business, operation, and sustainability that are closely related to its business activities. Additionally, we integrate major ESG risks and opportunities into our risk assessment and business planning processes as an effort to control or mitigate risks better, and seek possible avenues for growth and transformation.





Risk Culture Development

JCET is committed to fostering a sound risk management culture. To this end, the Company has made its efforts to heighten the insights into internal control risks among employees, and step up their risk management capabilities through training and outreach. Moreover, it has prompted full engagement in risk prevention, and continued to boost standard-based operational practices. During the reporting period, we concluded two targeted training sessions on internal control and risk management, equipping employees with skills to identify potential risks, and clarifying operational workflows. Besides, we took appropriate management measures to help all employees understand the significance of internal control and its impact on our business operation.

Compliance Management

JCET has issued the *Code of Business Conduct and Ethics* globally to guide all employees and partners to follow compliance guidelines. Alongside this, the Company has released the *Compliance Policy*, outlining the compliance management system under its organizational structure. The Risk and Compliance Group (RCG) is designated as the highest decision-making body for compliance management. This group convenes at least one meeting every year to discuss and figure out compliance management priorities, and submits compliance-related reports to the Board of Directors.

Following the guidelines stated above, JCET has rolled out a suite of specific compliance policies and standards, such as the *Confidentiality Policy*, the *Management Standard for Employee Conflict of Interests*, the *Anti-Fraud and Anti-Corruption Policy*, the *Complaint and Whistleblower Protection Policy*, and the *Trade and Export Control Compliance Manual*. These policies and standards set out clear workflows to ensure compliance. In addition to institutional efforts, the Company mandates an annual training session on compliance requirements among all employees at home and abroad, requires new employees to attend compliance training upon onboarding, and organizes unscheduled training as needed in case of updates on compliance regulations.

Related Party Transaction Management

JCET has established and refined a related party transaction management system. This system spans governance from the General Meeting of Shareholders, Board of Directors, Audit Committee, and Senior Management, to the Finance Department at headquarters, the Board Office, and subsidiaries. The Company has continued to build and optimize RPT management procedures, improve automation and intelligence in transaction handling, and strengthen the implementation of relevant policies, thereby promoting the orderly and standardized management of related party transactions. Independent directors conduct prior reviews of material RPTs and issue independent opinions to ensure that such transactions are carried out in line with the overall interests of shareholders.

Business Ethics

JCET adheres to integrity in business and the code of business conduct. The Company participates in market competition according to laws and regulations, opposes any form of commercial bribery, money laundering, monopoly, and unfair competition, and extends these requirements to suppliers and subcontractors. Meanwhile, we comply with local statutory and regulatory requirements on labor and other related areas, and the Code of Conduct issued by the Responsible Business Alliance (RBA), while heightening business ethics in the establishment, implementation, and maintenance processes.

Governance

JCET has established an efficient business ethics management framework. Under the framework, the Board of Directors serves as the highest decision-maker for business ethics and anti-corruption management. The Audit Committee supervises and regulates the implementation of applicable management policies to support the high-quality development of the Company. Besides, our business ethics management system has been put in place, covering the Board of Supervisors, as well as audit and risk control departments. The Legal Department independently formulates policies related to business ethics and anti-corruption, while the senior management regularly deliberates on major compliance and business ethics issues. Specific efforts have been made to organize inspections from time to time, assess compliance and business ethics risks, respond to the latest national and industrial policies in these fields timely, and tighten monitoring on business ethics. The Internal Audit Department carries out audits across all major production and operation sites, with dedicated employees assigned to bear full supervision duties.

Strategies and Measures

JCET observes applicable industry standards, laws and regulations, such as the *Company Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Anti-monopoly Law of the People's Republic of China*, and the *Anti-money Laundering Law of the People's Republic of China*. Internally, the Company has established and refined its business ethics and anti-corruption management system. Under the system, we have developed a series of policies, including the *Code of Business Conduct*, the *Compliance Policy*, the *Anti-Fraud and Anti-Corruption Policy* (including the attached Commitment to Integrity), the *Conflict of Interest Management Policy*, and the *Gift and Hospitality Policy*. These policies set forth requirements for anti-fraud, anti-money laundering, anti-corruption, anti-bribery, fair competition, anti-monopoly, and conflict-of-interest prevention targeting all directors, employees (including part-time employees), and suppliers. All these actions enable us to foster an integrity culture. During the reporting period, we had no major lawsuits concerning corruption or unfair competition.

Training of Business Ethics

JCET launches regular compliance training sessions on anti-corruption, anti-fraud, applicable laws and regulations, as well as integrity and business ethics, which are open to all employees. In addition, the Company organizes targeted training sessions involving compliance oversight and insider trading prevention among senior executives. All these training programs are designed to enhance their understanding and implementation of good business practices and business ethics. In September 2024, a targeted compliance training session was conducted for new employees, covering topics such as integrity, ethics, corruption, fraud, and conflicts of interest. In December 2024, an overall compliance training session was held through policy interpretation and case study among all employees to reinforce their awareness of complying with business ethics. We also provide suppliers with business ethics training on our anti-corruption, conflict-of-interest prevention, and whistleblower protection policies.



Key Performance

- Compliance training session: **1**; employee coverage: **100%**
- Number of corruption lawsuits initiated and concluded against the Company: **0**
- Number of corruption-related lawsuits initiated and concluded against JCET's employees: **0**
- Total employee participation in anti-corruption training exceeded **28,000** attendances, with cumulative training hours surpassing **5,900**
- Coverage of anti-corruption and anti-bribery training: **100%**

Case | Sharing Sessions on Avoiding Conflict of Interests

In September 2024, JCET organized compliance sharing sessions on avoiding conflict of interest in its factories across China. Participants included general managers, leaders in finance, infrastructure, and factory affairs, as well as employees from relevant departments. These sessions introduced the concept of conflicts of interest and emphasized the importance of assessing potential situations from the perspective of an “independent and prudent third party.” Employees were encouraged to proactively report potential conflicts to the Company, where designated professionals would assess whether a real conflict exists and determine appropriate follow-up measures. These sessions aimed to enhance compliance awareness and promote lawful conduct among employees in relevant positions.

Business Ethics Audit

The Internal Audit Department conducts annual audits across all entities within JCET. The audit scope covers all key business processes, including procurement, sales, and financial reporting, ensuring these processes comply with legal and regulatory requirements. Additionally, business ethics are integrated into the audit coverage. All our entities are subject to audits on a four- to five-year cycle.

Management of Business Ethics in the Supply Chain

JCET consistently promotes compliance and business ethics management among its partners. Suppliers are required to comply with national and local laws, regulations, policies, and industry standards, and are forbidden from implementing or tolerating any form of corruption, fraud, extortion, or bribery. This helps foster a fair, transparent and clean cooperation environment. During supplier onboarding, the Company treats business ethics as a key selection criterion to ensure that potential partners uphold ethical business values and conduct. In the ongoing oversight phase, JCET conducts regular monitoring and assessments to ensure full compliance throughout the partnership. The Company has also established a negative list mechanism. Suppliers (including agents) will be included in the negative list if they are found to present false qualifications, commit fraud, engage in insider trading with JCET’s stakeholders, severely violate integrity agreements, or pose threats to national security. These efforts are made to prevent corruption and other misconduct.



For Internal Procurement Personnel

- Conduct conflict-of-interest investigations
- Punish violations of the procurement policy
- Organize training on business ethics and anti-corruption



For Suppliers

- Develop business ethics and anti-corruption management systems, and require all suppliers to comply with them
- Implement strict supplier access requirements
- Conduct compliance review and supervision among suppliers on a regular basis

Anti-unfair Competition

JCET strictly abides by applicable laws and regulations in China, such as the *Anti-Unfair Competition Law of the People’s Republic of China*, and the *Several Provisions on Prohibiting Infringements upon Trade Secrets*, as well as anti-monopoly and fair competition laws and regulations of the countries where the business operates. The Company encourages and protects fair competition, and eliminates any unfair competition conducts to maintain a market environment featuring fair competition jointly with peer enterprises. We pledge neither to collect the trade secrets or other confidential information of competitors through illegal means, nor to engage in illegal activities that disrupt market order, such as collusion in pricing. In 2024, we had no significant violations of laws and regulations related to anti-unfair competition.

Whistleblowing and Whistleblower Protection

JCET has developed and implemented applicable management policies such as the Complaint and Whistleblower Protection Policy, to regulate and ensure a smooth whistleblowing process. The Company strictly prevents and controls any illegal or disciplinary actions that seek undue advantage through abuse of position or authority, and forbids any entities or individuals from interfering with investigations conducted by handling staff or the investigation team appointed by the Company. It adopts combined protective measures to safeguard the privacy and legal rights of whistleblowers, and objectively and justly prevents whistleblowers and stakeholders from retaliation due to their good-faith reporting. Besides, the Company takes severe action against any misconduct that may occur during the reporting process. Multiple whistleblowing channels have been established, including email, written correspondence, and in-person reporting for employees (for details, refer to the *Complaint and Whistleblower Protection Policy*). Dedicated personnel are assigned to manage these channels and to receive suggestions, complaints, and reports—whether submitted anonymously or under real names—by both internal and external parties. Upon receipt, complaints or reports are documented truthfully and handled promptly through a structured process, including evidence analysis, determination of investigative methods and steps, execution of the investigation, preparation of investigation reports, and development of remedial measures. In the course of follow-up investigations, the Company strictly adheres to the principles and regulations related to whistleblower protection. This includes designated handling of reports, limited access to whistleblowing information, recusal of interested parties, and strict confidentiality of personal information. The Company strictly prohibits any form of punishment, disciplinary action, or retaliation against whistleblowers, and is committed to investigating and penalizing any individual or organization involved in threats or retaliatory acts, which may include disciplinary action or referral to judicial authorities for legal liability, depending on the severity of the case.

Complaining and Whistleblowing Channels



Mailing Address

Internal Audit Department,
Building 29, Lane 2777, Jinxiu East
Road, Pudong New Area, Shanghai



Email

compliance@jcetglobal.com
compliance@statschippac.com

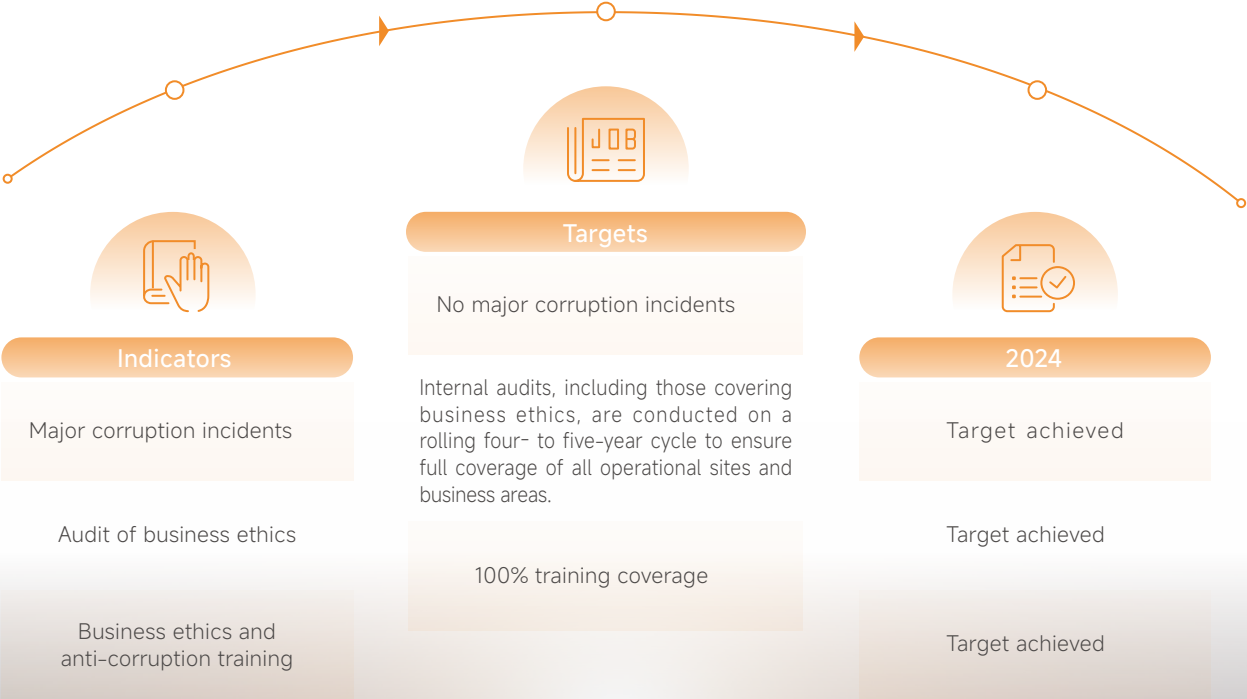
Risk Management

In the context of international operations, laws related to business ethics across different jurisdictions may impose varying compliance requirements. JCET adheres to the *United Nations Convention against Corruption* and the *JCET Risk Management Standards*. In line with these documents, the Company identifies corruption as a core risk, and regularly updates a list of business ethics risks identified, ensuring accuracy and completeness in risk identification. Under the business ethics management system, the Internal Audit Department prepares targeted audit plans annually pursuant to the *Internal Audit Management Standard*. As planned, audits are organized to assess policy implementation and business ethics risks in various business scenarios. Audit results, especially significant findings, and major issues of concern are regularly reported to the Audit Committee and the Chairman of the Board of Directors. The department remains independent at the organizational, business, and individual levels. Internal audits, including audits on business ethics, cover all operation locations and business areas every four to five years. Rectification proposals for issues identified in audits are presented to the responsible departments for implementation and continuous improvement. In addition, the Company annually assesses its internal control system for effectiveness and compliance, and actively addresses potential business ethics risks in operation.



Indicators and Targets

JCET upholds high standards of business ethics and continuously enhances its business ethics and anti-corruption management systems. The Company sets clear performance indicators and goals for business ethics management, and conducts regular progress monitoring and tracking. These efforts reinforce our ability to control and mitigate business ethics and anti-corruption risks effectively.





Information Security

Governance

JCET has set up the Information Security Group (ISG) that comprises senior managers of functional departments and factories, with an aim to fully integrate information security into the business processes of all departments. ISG is responsible for developing information security management policies, approving security roadmaps and key project initiatives, and overseeing the construction and operation of information security projects. A dedicated information security team (3HC) has been established under the IT Department. The team works to strengthen multi-level IT controls, and establish a reporting and resource coordination mechanism between factories and the Headquarters to ensure the efficient operation of the information security system.

Strategy

JCET complies with national laws and regulations, such as the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Personal Information Protection Law of the People's Republic of China*. In line with these laws, the Company has developed a string of policies, standards and management guidelines, including the *Confidentiality Policy*, the *Data Processing and Cleaning Management Standard*, the *Information Security Incident Management Standard*, the *DLP Data Classification Guideline*, the *Data Retention Management Standard*, and the *Encryption Software Management Standard*. These regulatory documents constitute a robust information security system, and support the establishment of an automatic warning mechanism for information security incidents. This ensures the security of our IT infrastructure, information application systems, products and customer data.



Key Performance

- All **8** JCET plants passed **the ISO 27001 Information Security Management System certification**.

Risk Management

Information Security Audit

JCET assesses the applicability of its information security policies every two years or updates these policies as necessary, and tightens control and audit on sensitive data. The information security team conducts internal vulnerability self-assessment at least once a year across the Headquarters and all manufacturing bases, and coordinates with third-party parties on external network vulnerability scanning and penetration testing every two years. Aligning with the ISO 27001 Information Security Management System, the Company launches internal and external audits annually. During the reporting period, we conducted 121 information security audits, identifying one USB-related violation, and the responsible individual was disciplined.

Information Security Emergency Management

JCET has developed the *Information Security Incident Management Standard*, which defines procedures for monitoring, investigating, and responding to information security incidents for better emergency management and response in this field. The Company organizes regular information security emergency drills each year to enhance its emergency response capabilities. During the reporting period, three information security drills were conducted, and there were no major information security incidents.

Information Security Control

Implement classified control over data of different categories and confidentiality levels in accordance with data classification standards and rules; develop different operation requirements for various types of information assets; adopt automated operation and maintenance (O&M) tools; and appoint dedicated O&M personnel to effectively ensure data storage security.

Data Security

Establish a unified office terminal data leakage control system for JCET and all its subsidiaries; optimize the Data Loss Prevention (DLP) Project. During the reporting period, the Company launched the DLP Phase II data survey, especially the survey of sensitive data across the Group. This action has helped the DLP data classification strategy play its role effectively, thus safeguarding data security within the Group.

Prohibit the use of USB ports at office terminals; implement a permission application process; require employees to sign the commitment to confidentiality; regulate the use of USB devices; promote awareness of information security to reduce data leakage risks.

Account Security

Adopt a new email authentication approach across the Group; email the latest threats and protective measures to users quarterly in order to enhance their security awareness; implement MFA (Multi-Factor Authentication) for domain control administrator accounts to strengthen account security, prevent password leaks and brute-force attacks, and lower the success rate of social engineering attacks.

Cybersecurity

Isolate production and administrative networks through proper network architecture planning, and introduce DMZ (Demilitarized Zone) to consolidate isolation; deploy key cybersecurity equipment and systems to guard against network attacks and unauthorized access; take more effective cybersecurity means (such as strengthening secure communication algorithms, upgrading communication protocols, and closing unnecessary communication ports), and regularly update antivirus software and endpoint security software across factory sites to comply with information security and customer audit requirements.

Adopt email security solutions with enhanced features to provide stronger protection against sophisticated and advanced threats; reinforce the email security awareness of users to minimize losses caused by phishing emails, malware, BEC (Business Email Compromise), and email spoofing.

Server Security

Deploy a centralized server security monitoring system that integrates information of server hardware, network devices, operating systems, databases, and applications. This unified system functions to continuously monitor the operating and security status of servers and networks, and enables administrators to swiftly identify and troubleshoot system faults.

Server Facility Security

Install surveillance cameras, access control systems, and alarm devices in core server facilities to ensure only authorized personnel have access to these facilities; deploy a dynamic environment monitoring system to monitor the running data of environmental units in real time, such as temperature and humidity metering devices, smoke detectors, air-conditioners and Uninterrupted Power Supply (UPS) units, and trigger immediate alerts in case of any anomalies via email, SMS, phone calls, or WeChat notifications, which allows prompt identification of faults, hereby enhancing the security and reliability of server facilities.

Personal Information Security

Introduce the international information system that complies with international standards for privacy protection, including the General Data Protection Regulation (GDPR), to prevent personal data leakage.

Information Security Culture Development

JCET continues to advance its information security culture. To this end, the Company has provided employees with information security awareness training sessions, such as induction training sessions on information security, alongside the training of ISO 27001 Information Security Management System. These training sessions give employees access to potential risks and threats related to information security. All our domestic employees receive online training through the HRIS system. In 2024, the Company launched a new Information Security Awareness Training program for all employees worldwide. In addition, quarterly email reminders are sent to all HQ staff to continuously reinforce their awareness of responsibilities in protecting both corporate and client information assets.

Information Security of Partners

For suppliers, JCET incorporates customer information security protection into supplier access evaluation, and requires suppliers to sign the *Supplier Non-Disclosure Statement* and the *Stakeholder Commitment to Information Security*. These efforts aim to enhance the information security awareness of suppliers, and prevent our confidential information and data from leakage. Regarding customers, the Company signs non-disclosure agreements before engaging in business activities, and conducts training when necessary to ensure all personnel understand and obey confidentiality requirements. A Customer Data Access (CDA) system is available for customers that requests strict confidentiality, and sets additional permission for accessing specific customer data, thus strengthening customer data security.



Key Performance

- Signing rate of the *Supplier Non-Disclosure Statement* and the *Stakeholder Commitment to Information Security* among suppliers: **100%**

Indicators and Targets

Define Clear
Objectives for
Information
Security
Development

Measurable annual targets for information security

- No major information security incidents
- 99.8% system availability
- 100% high-risk vulnerability fixing rate
- 100% information security training coverage among non-production employees

Targets achieved

02

Clean and Low-Carbon Development

- Environmental protection investment

RMB **165.0394** million

- Carbon emissions per unit of output value

0.34 tons of CO₂ equivalent/RMB 10,000 revenue

- Solid waste landfill rate

0.49%



Environmental Compliance Management

Governance

JCET has established a comprehensive environmental management structure and process. The CEO assumes full leadership responsibility for the Company's environmental protection management, overseeing EHS management activities across all production and operational processes. At the headquarters, an EHS department has been established to inspect, supervise, and guide environmental management across various plants and subsidiaries. Each plant and subsidiary maintains its own EHS department, responsible for daily EHS management, reporting to both the local plant manager and headquarters EHS. Additionally, the Company has implemented a performance evaluation mechanism, with corporate headquarters conducting annual performance assessments of each plant and subsidiary, linking evaluation results to the performance-based incentives of both site and corporate management.

Strategy

JCET strictly adheres to relevant national laws and regulations, including the *Environmental Protection Law of the People's Republic of China* and the *Environmental Impact Assessment Law of the People's Republic of China*, as well as applicable laws and regulations in its overseas business locations. The Company has formulated a suite of policy documents, including the *Environmental Management Policy*, *Environmental Protection Work Management System*, *Environmental Management Manual*, and *Emergency Response Plan for Environmental Incidents*. Building upon the ISO 14001 Environmental Management System, JCET enhances its environmental management system, integrating green development concepts into its operations and constantly improving environmental performance.

Risk Management

JCET consistently refines its environmental risk control mechanism, having developed the *Risk and Opportunity Response Procedures* for routine environmental risk management, ensuring early detection and mitigation of environmental risks. The Company has established an *Environmental Emergency Response Plan*, implementing tiered management for environmental risk events and formulating corresponding preventive and emergency measures. JCET strengthens daily inspections and oversight and regularly conducts environmental emergency management training and drills, ensuring the Company's capability for swift, orderly, and effective emergency response. During the reporting period, JCET conducted 605 environmental protection training sessions for all employees, with 21,226 attendances, covering topics such as environmental laws and regulations, environmental management systems, solid and hazardous waste management, and emergency response training for sudden environmental incidents. In 2024, environmental management activities at JCET headquarters and all plants proceeded smoothly, with no major environmental pollution incidents.



Key Performance

- Environmental protection investment in 2024: RMB **165.0394** million
(consistent with the scope of consolidated financial statements)
- 8 plants of JCET have obtained **ISO 14001 Environmental Management System certification**,
achieving **100%** coverage.

Environmental Management Process

Formulate Environmental Management Plans

Internal Audit

Each production base conducts monthly self-inspections of environmental management work. Corporate headquarters organizes personnel to audit environmental protection work at each production base semi-annually, proposing corresponding improvement measures and tracking their implementation based on audit results.

External Audit

Headquarters and each production base undergo annual environmental audits from external stakeholders such as customers and regulatory agencies.



Key Performance

- In 2024, the Company conducted **80** internal audit inspections and underwent **81** external audits.

Conduct Routine Environmental Monitoring

The Company implements environmental protection work plans, supervises and manages environmental protection facilities daily, and regularly commissions qualified third-party entities to conduct environmental protection testing. This process identifies gaps in environmental work and management, allowing for immediate remediation to ensure compliant discharge of wastewater, exhaust gases, and noise. During the reporting period, JCET (Chuzhou) Co., Ltd. upgraded to high-definition cameras to enhance monitoring of pollutant emissions.

Indicators and Targets

Environmental Management Objectives

The Company establishes quantifiable targets for environmental protection and energy efficiency, linking evaluation results to performance-based incentives for its management team and each production base:

- Zero major environmental pollution incidents (defined as incidents causing direct economic losses of RMB 200,000 or more)
- Overall energy consumption not exceeding 0.094 tons of standard coal equivalent per RMB 10,000 output value
- Solid waste landfill rate below 1%

Targets achieved



Addressing Climate Change

Climate change represents one of the most pressing challenges facing humanity, with far-reaching impacts across all aspects of societal development. In the context of global energy transition and climate action, JCET constantly explores pathways for green development throughout its industrial growth. The Company is accelerating the implementation of carbon reduction initiatives to contribute to the global energy transition and sustainable development.

Climate Strategy

JCET adheres to the framework recommendations outlined in the *Guidelines No. 14 of Shanghai Stock Exchange for the Self-Regulation of Listed Companies—Sustainability Report (Trial)* and the *European Sustainability Reporting Standards (ESRS)*. It comprehensively addresses climate change across four dimensions: governance, strategy, risk and opportunity management, and indicators and targets. Through these efforts, the Company consistently enhances its capacity to respond to climate-related risks.

Governance

The Company has integrated climate change considerations into its ESG governance structure, clearly defining management responsibilities at each level. This enables us to effectively discuss climate-related issues, identify associated risks and opportunities, and formulate appropriate response measures. Climate change response indicators have been incorporated into our management performance evaluations.

The Decision-Making Bodies The Management Bodies

Board of Directors and ESG Committee

The two bodies take on the management and leadership responsibilities for addressing climate change issues:

- Review and approve climate change response systems and mechanisms.
- Oversee ESG strategies and plans, including climate-related initiatives, annual key performance indicators, and target achievement.

The Execution Bodies

ESG Executive Group

As the operational arm of the ESG Committee, this group collaborates to effectively implement the management of climate change initiatives:

- Guide the development and implementation of climate-related strategies, goals, and initiatives.
- Assess and manage climate-related risks and opportunities.
- Regularly collect, compile, and track climate-related data.
- Track and monitor progress towards carbon reduction targets.
- Periodically review and summarize climate action progress and effectiveness, reporting findings to the ESG Committee.

Functional Departments and Plants

These units oversee and ensure the successful execution of climate-related tasks:

- Implement climate-related actions across various business operations; assess and execute climate risk mitigation measures; serve as primary liaison points for Group-level climate strategy implementation.
- Execute operational-level energy efficiency and carbon reduction targets.

Strategy

JCET analyzes climate-related risks and opportunities based on the latest domestic and international regulations, scenario analyses, and strategic considerations. Our approach focuses on two main dimensions—"mitigation" and "adaptation"—across five key areas: energy efficiency improvement, renewable energy adoption, low-carbon products and solutions development, green supply chain promotion, and employee engagement. We allocate dedicated environmental protection funds and implement targeted mitigation measures. Beyond quantitative monitoring and goal-setting, we are deepening our commitment to circular economy practices, renewable energy utilization, and low-carbon product development throughout our value chain. The aim is to create a green, low-carbon operational framework that accelerates our progress towards "dual carbon" goals. For more information on our "Collaborative Green Supply Chain Development" initiative, please refer to the "3. Adhering to Quality Commitment / Sustainable Supply Chain" section.

The Company actively explores green technologies and products to meet growing market demands and capitalize on clean technology opportunities. We have established the dedicated Automobile Business Division and Industrial Intelligence Business Division, focusing on developing solutions for new energy vehicles, industrial automation, and energy efficiency improvement as key strategic priorities. In recent years, we have significantly increased investments and technological development in these areas, positioning ourselves in rapidly growing markets such as high-performance computing chips, automotive-grade products, and 5G communications. Throughout 2024, we continued to focus on these key areas, making substantial progress in technology advancement, production capacity expansion, and product innovation.

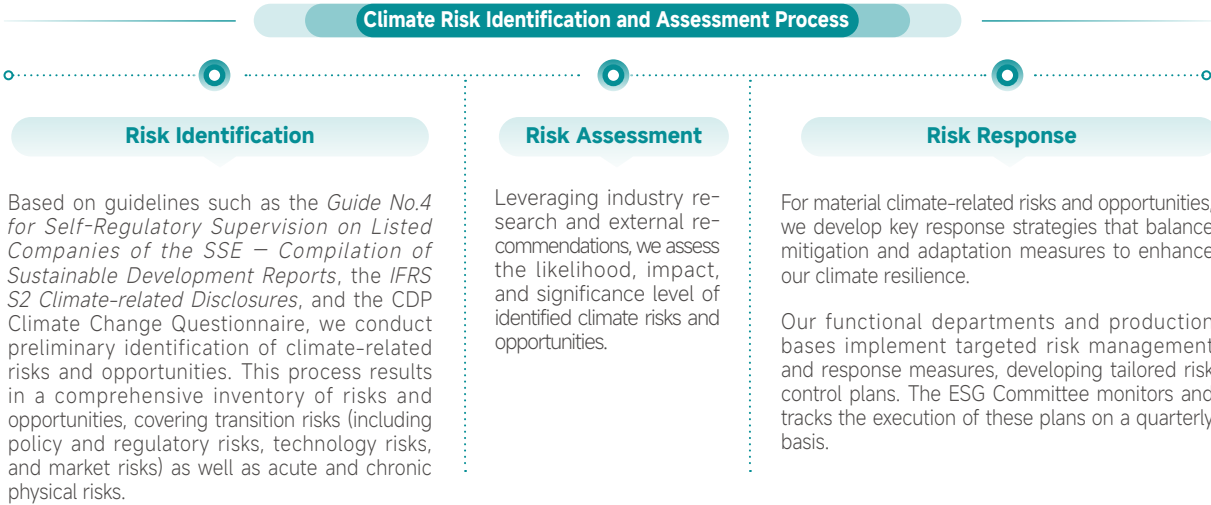


Category	Risk/Opportunity Type	Risk/Opportunity Description	Impact Period	Potential Financial Impact	Response Measures
Physical Risks	Acute Risks	Rising average temperatures will significantly increase electricity consumption for air conditioning systems in JCET's offices and plants, resulting in higher electricity costs and increased carbon emissions.			Enhance precision management of energy consumption monitoring. Introduce advanced production processes and equipment, phasing out obsolete energy-intensive equipment. Promote energy-efficient technologies, implementing LED lighting and intelligent control systems in production and office areas.
		Regions housing JCET plants may face power restrictions or widespread outages due to increased electricity demand, potentially disrupting production lines and negatively impacting shipments and financial performance.	Short-term, Medium-term, Long-term	Revenue decline, cost increase, liability rise, and asset impairment	
		Extreme weather events, including severe heat waves, heavy precipitation, river flooding, and coastal flooding, may damage production base equipment and facilities, leading to production interruptions, reduced efficiency, increased repair and replacement costs, and diminished production output.			Develop and regularly update emergency plans for extreme weather events, regularly conduct drills, and constantly improve emergency response mechanisms.
	Chronic Risks	Water scarcity in some regions where production bases are located may result in increased municipal water prices, leading to higher water costs for JCET.	Long-term	Revenue decline and cost increase	Constantly optimize production processes, implement water-saving equipment, improve water utilization efficiency, and develop alternative water sources.

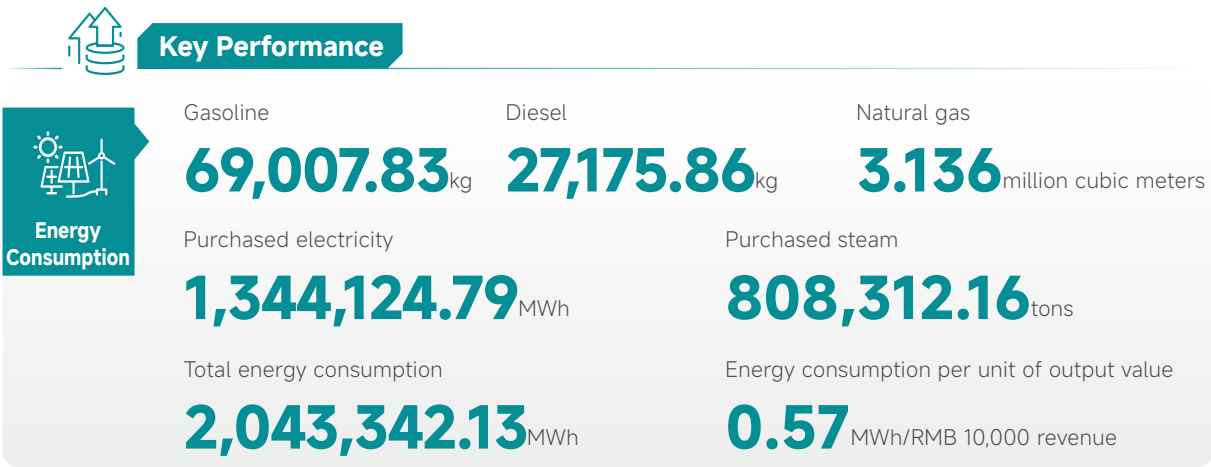
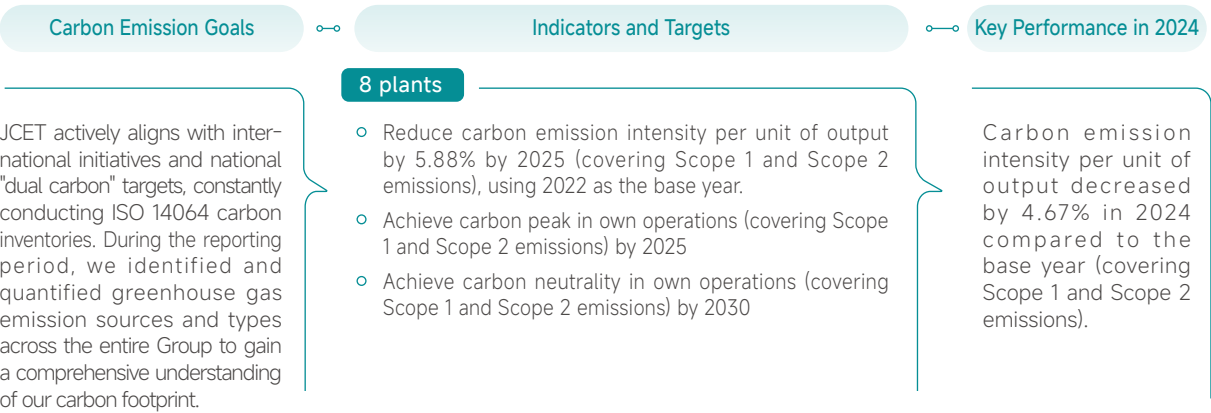
Category	Risk/Opportunity Type	Risk/Opportunity Description	Impact Period	Potential Financial Impact	Response Measures
Transition Risks	Policy and Regulatory	The introduction of more stringent domestic climate change mitigation policies and regulations may increase corporate greenhouse gas emission costs. Emerging environmental laws and regulations worldwide are introducing additional requirements for energy consumption, life cycle assessment, and product carbon footprint reporting, potentially resulting in increased operational costs or penalties for JCET.	Short-term, Medium-term	Revenue decline, cost increase, liability rise, and asset impairment	Closely monitor international and domestic environmental and carbon-related legislative and policy changes. Conduct regular carbon emissions calculations and assess compliance costs. Expand the scope of product carbon footprint certification. Ensure timely carbon tax payments in accordance with local regulations, and monitor policy developments.
	Market	Climate change may drive up raw material prices, storage costs, and transportation fees, increasing the risk of overall cost escalation. Climate change-related policy-driven price adjustments may alter product market prices.	Medium-term, Long-term	Revenue decline, cost increase, liability rise, and asset impairment	Closely monitor climate and natural disaster impacts on the market and develop proactive countermeasures. Establish strategic partnerships with high-quality collaborators to enhance supply chain resilience and risk management capabilities.
	Technology	The semiconductor industry chain faces significant technological challenges in its low-carbon transition, including the R&D and implementation of low-carbon materials and the application of clean technologies. Failure to develop and implement more efficient, energy-conserving technologies may lead to a rapid increase in energy consumption and a substantial rise in energy costs.	Short-term, Medium-term	Revenue decline and cost increase	Intensify feasibility studies on low-carbon technology R&D and application. Foster industry collaborations to promote low-carbon technology development and application with value chain partners. Assess financial implications of energy consumption costs, gradually phasing out energy-intensive and high-emission equipment.
	Reputation	Increasingly stringent environmental performance disclosure requirements are raising compliance costs associated with maintaining or enhancing corporate reputation.	Short-term, Medium-term	Cost increase	Monitor market regulatory and disclosure requirements across various regions and implement comprehensive compliance measures.
Climate Opportunities	Products and Services	The global low-carbon transition trend presents opportunities to increase business revenue by developing or enhancing the low-carbon application value of products and conducting research on related low-carbon materials.	Short-term, Medium-term	Revenue growth	Commit to minimizing the environmental impact of products throughout their entire lifecycle.
	Resource Efficiency	The adoption of energy-saving technologies and equipment to reduce energy consumption in production processes can enable JCET to achieve both cost savings and environmental protection goals. Enhancing resource recycling and utilization practices can effectively reduce resource waste and lower production costs.	Short-term, Medium-term	Revenue growth	Widely implement energy-efficient technologies and equipment in production to reduce energy costs. Establish comprehensive resource recycling and treatment systems for efficient resource utilization and waste reduction.
	Market	Proactively responding to climate change policies can facilitate entry into additional national markets, enhance JCET's competitiveness in the international arena, and attract a broader range of international customers and partners.	Short-term, Medium-term	Revenue growth	Actively engage in international certifications and standard-setting processes to boost product competitiveness in global markets.

Impact, Risk, and Opportunity Management

To address potential risks and opportunities arising from climate change, JCET employs a comprehensive approach utilizing internal surveys, industry research, and external recommendations. This method allows us to identify, analyze, evaluate, and manage significant climate-related risks and opportunities effectively. Based on risk identification results, we develop targeted mitigation measures and integrate climate risk management into our company-wide, multi-departmental risk management process. In 2024, we conducted a thorough analysis and assessment of climate change risks (encompassing both physical and transition risks) and opportunities facing our business operations, enabling active response to climate change challenges.



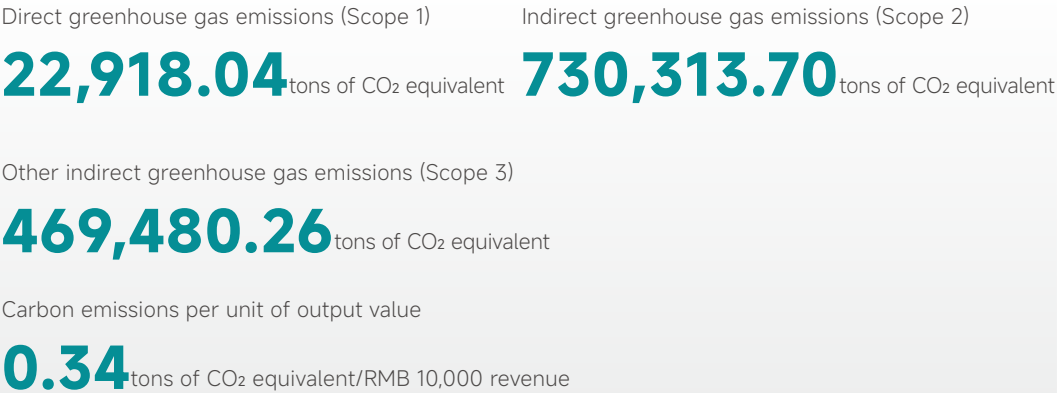
Indicators and Targets





Key Performance

Greenhouse Gas Emissions

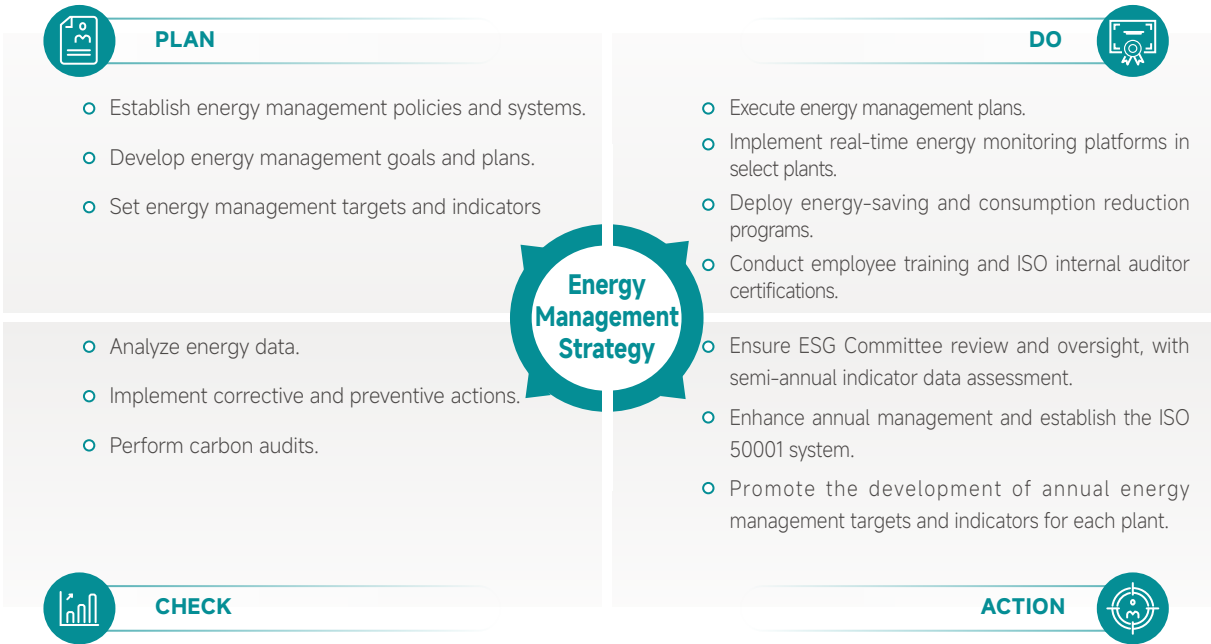


Note: The 2024 electricity emission factors are calculated using the average CO₂ emission factor for the East China region, as published by China's Ministry of Ecology and Environment in the 2022 electricity CO₂ emission factors. National emission factors for South Korea and Singapore are also incorporated into our calculations.

Low-Carbon Operations

Energy Management

JCET has developed and rigorously implements management policies such as the *Energy Management System*. Building on the ISO 50001 Energy Management System, the Company consistently enhances its energy management capabilities. Each plant sets comprehensive or unit-based energy-saving targets aligned with its specific energy consumption patterns. Annually, they conduct training programs to heighten employee awareness of energy conservation, implements energy-saving and consumption reduction projects, and regularly monitor energy use in production and operations. Energy control indicators and targets are integrated into annual performance evaluations. Through a PDCA (Plan-Do-Check-Act) closed-loop management approach, JCET consistently improves its energy management standards. Looking ahead, the Company aims to progressively achieve ISO 50001 Energy Management System certification across all its global production bases.





Key Performance

- 7 plants of JCET have obtained ISO 50001 Energy Management System certification, achieving **87.5%** coverage.

Note: STATS ChipPAC Pte. Ltd. is in the process of obtaining ISO 50001 certification, aiming for comprehensive energy management system coverage by 2025.

- 8** plants of JCET have completed ISO 14064 greenhouse gas inventory.



Enhanced precision management of energy consumption statistics and monitoring

By integrating advanced energy management systems and big data analytics, we have achieved real-time monitoring and accurate energy consumption statistics, improving energy efficiency and providing data-driven support for energy-saving and emission reduction strategies.

Process improvements and production equipment upgrades

Equipment upgrades across plants are a key focus of our energy-saving and emission reduction efforts. By actively introducing cutting-edge production processes and equipment while phasing out outdated, energy-intensive machinery, we significantly reduce energy consumption through technological advancements and equipment modernization.



Energy structure optimization

Through the construction of solar power stations and wind power facilities, we are gradually reducing dependence on traditional fossil fuels and increasing renewable energy utilization, thereby lowering carbon emissions.

Energy-saving technology promotion

We vigorously promote energy-efficient technologies, widely implementing LED lighting, intelligent control systems, and other energy-saving equipment in production areas and office spaces.



Production energy efficiency enhancement

By optimizing production processes and increasing equipment utilization rates, we significantly improve production energy efficiency while maintaining product quality standards.

Specialized training initiatives

Regular energy efficiency training courses are offered, covering the latest energy-saving technologies and methodologies. Through a combination of theoretical and hands-on approaches, we aim to enhance employees' energy conservation awareness and practical skills.



Centrifugal Compressor Heat Recovery Project

JCET (Chuzhou) Co., Ltd. installed water heat exchangers in the centrifugal compressor cooling system, channeling hot water for air conditioning use through dedicated pipelines, thereby reducing steam consumption. This initiative recycles excess heat generated during compressor operation into the air conditioning hot water system, replacing the original steam heating method. This solution mitigates constraints on the air conditioning system during thermal power plant maintenance, ensures stable production environments, and decreases steam consumption. Additionally, the compressor heat recovery system lowers ambient temperatures in equipment rooms, enhancing operating conditions and extending equipment lifespan, thus achieving both economic and environmental benefits.

Cooling Tower Water Temperature PID Automatic Control Upgrade

JCET (Suqian) Co., Ltd. implemented PID automated temperature control upgrades for 12 cooling tower fans in the east plant area, serving ice machines and air compressor cooling towers. This enhancement enables automatic water temperature adjustment, minimizing equipment abnormalities and fan power waste caused by delayed temperature adjustments due to significant temperature variations. The upgrade reduces cooling tower fan power consumption and enhances refrigeration machine operational stability, resulting in electricity savings of approximately 21,000 kWh per month.

Investment in energy-saving renovation projects in 2024: RMB

18.1029 million

Renewable Energy Utilization

JCET actively incorporates green electricity into its production operations, constantly optimizing its energy structure through the development of photovoltaic power generation projects and the procurement of green electricity. During the reporting period, the Company's self-generated photovoltaic power reached 9,299.62 MWh, with green certificate purchases amounting to 130,442 MWh. The total green energy consumption totaled 139,741.62 MWh, representing 6.84% of the Company's overall energy consumption.

8 Plants	Project Status	Installed PV Capacity (MW)	Power Generation (10,000 kWh/year)	Estimated Carbon Reduction (tons of CO ₂ equivalent/year)
JCET (Chuzhou) Co., Ltd.	Grid-connected	5	665	3,724
STATS ChipPAC Pte. Ltd.		1.032	124	543
JCET Group Co., Ltd (JCET D3)				
STATS ChipPAC Semiconductor (Jiangyin) Co., Ltd.		12	1,175.6	8,229
Jiangyin JCET Advanced Packaging Co., Ltd.				
JCET (Suqian) Co., Ltd.	Completed in March 2025	11	1,009	7,063
STATS ChipPAC Korea Ltd.	Currently under construction, completion expected by September 2025	9.1	1,231.7	5,665
JCET STATS ChipPAC Korea Ltd.				
Total	/	38.132	4,205.3	25,224

Case | Construction of a 12 MW Solar Photovoltaic Power Station

To further reduce carbon emissions, the Company has maximized the use of rooftops on factory buildings, office structures, and parking areas at JCET's Jiangyin Chengdong plant to construct a distributed solar photovoltaic power station project. Spanning over 140,000 square meters, the system is integrated into the plant's power grid to supply green electricity for production. Through a smart energy management system, it enables comprehensive monitoring and centralized dispatching for efficient and intelligent enterprise energy management. On October 8, 2024, JCET's 12 MW solar photovoltaic power station was officially commissioned. Projections indicate that the project's annual power generation capacity will reach 11.5 million kWh, with an estimated average annual carbon dioxide reduction of approximately 11,480 tons, and a cumulative reduction of about 287,000 tons over its 25-year lifespan.



Official commissioning of JCET's 12 MW solar photovoltaic power station

Case | Product Carbon Footprint Certification

As global awareness of climate change and sustainable development intensifies, governments and international organizations are advancing policies to reduce greenhouse gas emissions. Carbon footprint certification has emerged as a green passport for entry into global markets. As a leading global provider of integrated circuit manufacturing and technology services, JCET not only actively responds to carbon peak and carbon neutrality initiatives but also meets the requirements of downstream customers in the industry chain, striving to reduce carbon emissions throughout the product lifecycle.

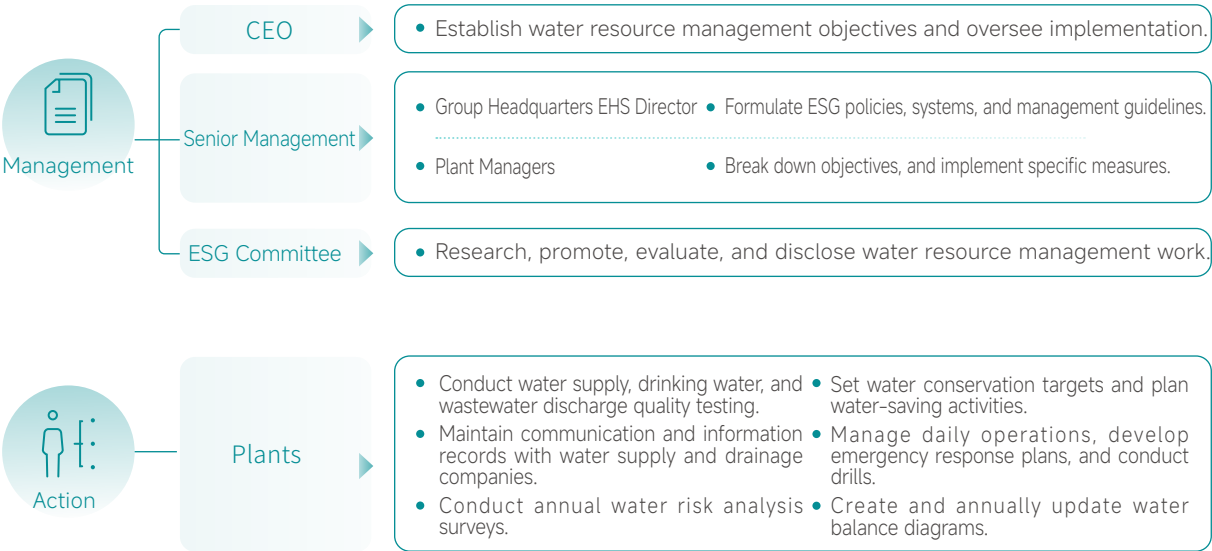
In 2024, the Company established a cross-departmental project team to proactively engage in professional knowledge acquisition and conduct comprehensive data collection (covering various stages including raw material procurement, energy consumption, production processes, and product transportation). Product carbon footprint certification efforts were implemented across multiple production bases. Through data analysis, we identified the primary sources of carbon emissions, provided a foundation for subsequent emission reduction measures, and formulated reduction strategies based on the analysis results. By establishing a regular assessment mechanism, we monitor changes in various indicators and consistently refine and optimize based on feedback to achieve energy savings and cost reductions. During the reporting period, three JCET products obtained product carbon footprint certification.

Chip LP8566A0YFQR(B1),
Integrated Circuit Block QFP,
and Integrated
Circuit Block QFN
**obtained product carbon
footprint certification.**

Water Resource Management

Governance

JCET has established a comprehensive water resource management structure and water conservation leadership group led by the CEO, with collaborative efforts from the ESG Committee, ESG Executive Group, and various plants. This structure implements management at three levels: decision-making, planning, and execution. Water resource management objectives are incorporated into management performance evaluations, effectively promoting water reduction initiatives across the entire Group.



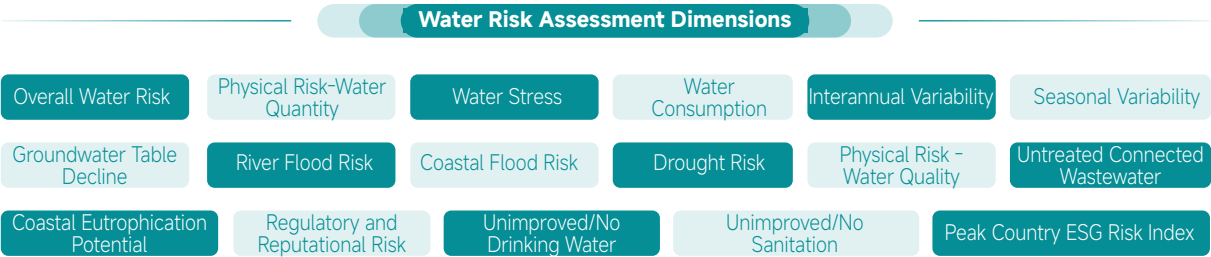
Strategy and Approach

The escalating pressure on water resources presents a global challenge. To address water stress and enhance sustainable water use capabilities, JCET adheres to a water conservation philosophy centered on "efficient use and recycling." We have implemented a comprehensive suite of policies and regulations, including the *Water Resource Management Policy* and *Water Resource Management System*, aimed at improving water reuse rates. We regularly conduct employee training on water efficiency management and conservation techniques, with the goal of reducing water demand, minimizing wastewater discharge, and effectively managing water resources.

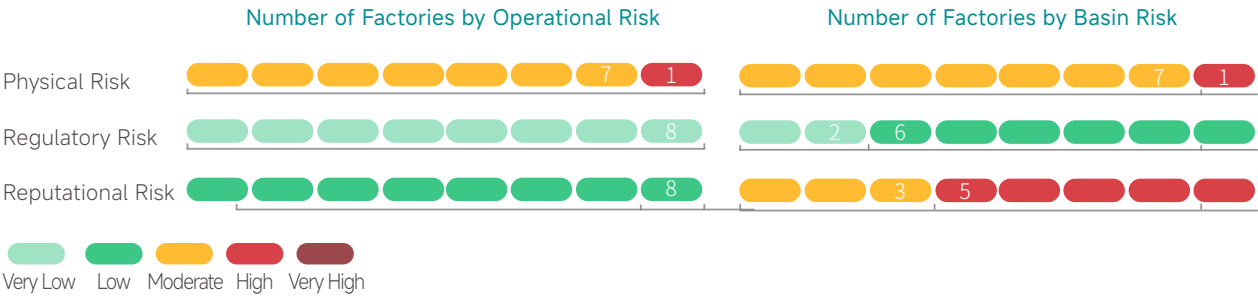
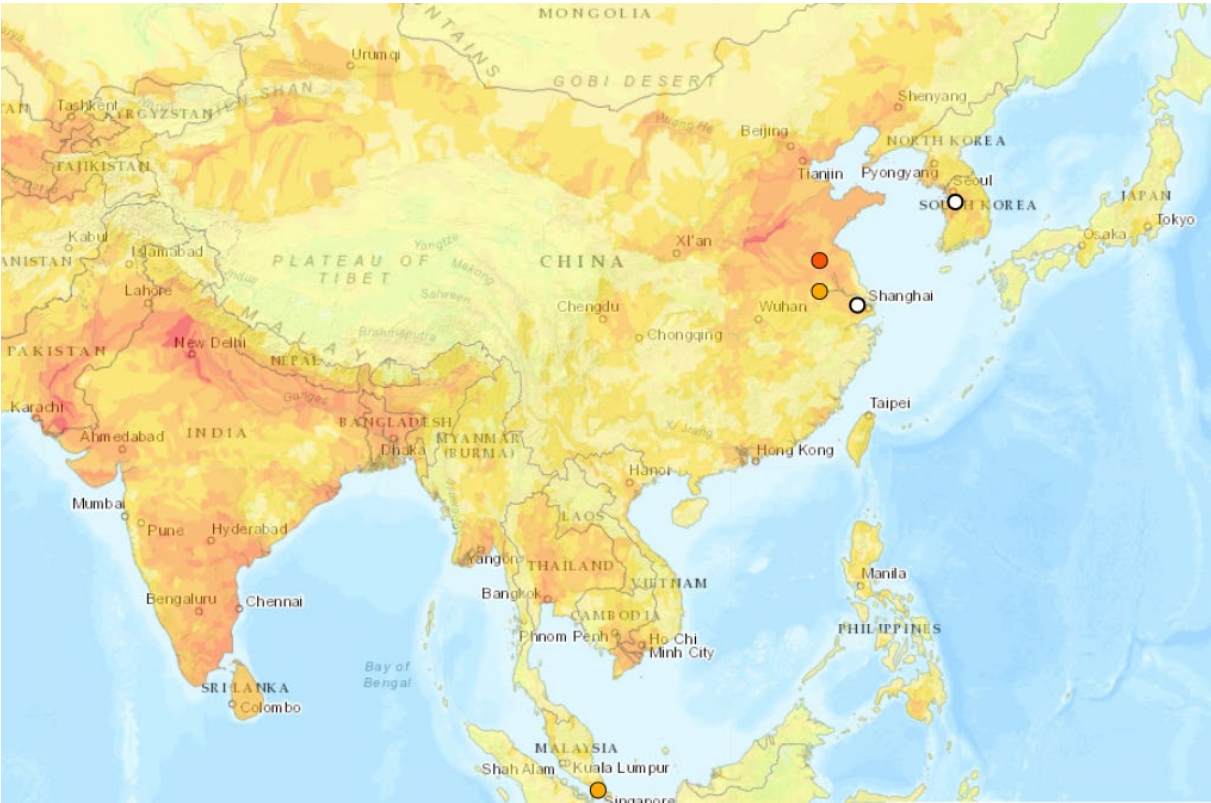
Risk Management

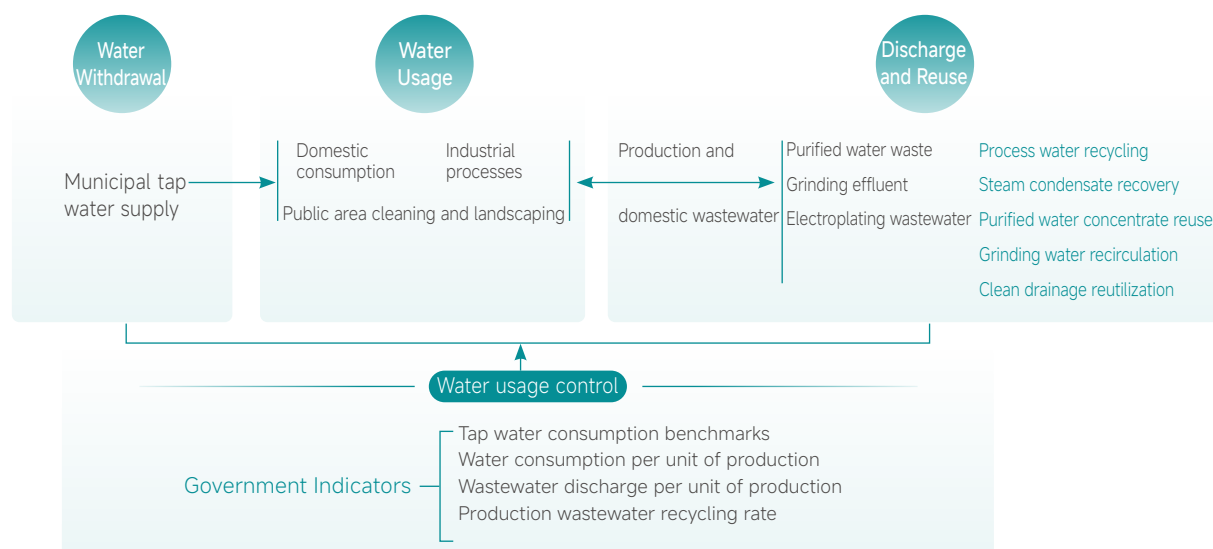
Water Resource Risk Assessment

To ensure the safety and sustainability of our water resource management practices, JCET conducts annual water resource risk assessments utilizing advanced online analysis tools such as the World Wide Fund for Nature's (WWF) Water Risk Filter and the World Resources Institute's Aqueduct Water Risk Atlas. These assessments evaluate the water risk indicator levels for the regions where our 8 plants (encompassing all operational production facilities) are located. Based on the annual risk assessment outcomes, we develop targeted water conservation objectives and response strategies, implement comprehensive water resource management measures, and conduct ongoing monitoring to ensure effective utilization and management of water resources.



The 2024 assessment results indicate that 87.5% of the Company's production operations are situated in basins with medium-level physical risk, while 12.5% are in basins categorized as high-level physical risk. These risk levels remain consistent with the 2023 assessment. According to WWF projections, an increasing number of our production operations are expected to face rising water risks in their respective basins in the coming years.





Enhancing Water Resource Utilization Efficiency

The Company continues to advance water conservation initiatives across all plants, strengthening supply network management and promptly addressing leakage incidents. We regularly replace cooling tower fillings to improve cooling efficiency and implement multiple measures to reduce water waste. Water reuse facilities have been expanded, and daily water conservation management practices have been implemented, leading to an increased reuse rate of process water and production wastewater in 2024. We have established the *Water Conservation Management Regulations* to further enhance water management, clearly defining principles for rewarding conservation and penalizing waste. Management personnel are incentivized or held accountable based on water management responsibility indicators, employing various strategies to reduce water pressure and wastewater discharge.

Water Risk Response Measures

Plant	New Water Reuse Projects in 2024	Reuse Facility Capacity (tons/hour)	Project Status
JCET (Suqian) Co., Ltd.	Added concentrated water reuse facilities for the pure water system	70	Completed and put into operation
JCET (Chuzhou) Co., Ltd.	Added concentrated water reuse facilities for the pure water system	60	Completed and put into operation



Strengthening Wastewater Management

The Company's wastewater primarily originates from industrial processes and domestic sources. Industrial wastewater mainly consists of heavy metal-containing effluents and grinding wastewater, which are treated to meet discharge standards. Wastewater generated at Chinese facilities is processed in on-site treatment plants to comply with the *Emission Standard of Pollutants for Semiconductor Industry (DB32/3747-2020)* and the *Emission Standard of Pollutants for Electroplating (GB21900-2008)* before being discharged into municipal sewage networks. The Company has installed advanced wastewater treatment facilities and online water quality monitoring systems. Wastewater discharge concentration indicators are linked with government environmental protection departments, and we have established internal control warning standards that exceed national requirements to ensure compliance in wastewater treatment, discharge, and recycling. Since its founding investment in Jiangyin City East Colin Environmental Co., Ltd. in 2017, the Company has steadily advanced the subsidiary's wastewater treatment and reclaimed water reuse capabilities year by year. These efforts aim to reduce the burden on regional wastewater treatment systems and alleviate pressure on local water resources. As of the end of the reporting period, the wastewater treatment and reclaimed water reuse capacities of Jiangyin City East Colin Environmental Co., Ltd. are as follows:

Wastewater Treatment Systems	Treatment Capacity
Fluorine-containing wastewater treatment system (Phase II)	720m ³ /day
Grinding wastewater treatment system (Phase II)	8,400m ³ /day
Grinding wastewater treatment system (Phase I)	1,440m ³ /day
Cyanide-containing wastewater treatment system (Phase I)	72m ³ /day
Nickel-containing wastewater treatment system (Phase I)	120m ³ /day
Copper-containing wastewater treatment system (Phase II)	7,200m ³ /day
Copper-containing wastewater treatment system (Phase I)	3,600m ³ /day
Comprehensive wastewater treatment system (Phase II)	16,800m ³ /day
Comprehensive wastewater treatment system (Phase I)	4,080m ³ /day
Nitrogen and phosphorus wastewater treatment system (Phase II)	960m ³ /day
Nitrogen and phosphorus wastewater treatment system (Phase I)	480m ³ /day

Reclaimed Water Reuse Treatment Systems	Reuse Capacity
Reclaimed water reuse system (Phase II)	200m ³ /hour
Reclaimed water reuse system (Phase I)	100m ³ /hour
Reclaimed water deep treatment system (Phase II)	120m ³ /hour
Reclaimed water deep treatment system (Phase I)	35m ³ /hour



Indicators and Targets



Key Performance

- Water Conservation Target: Reduce water withdrawal by **1 million** tons in 2024 compared to 2023
Achieved → Freshwater withdrawal reduced by **1.5678** million tons
- 2025 Water Conservation Target: Achieve **50%** wastewater reuse rate
In Progress → Production wastewater reuse rate at **38.99%**

Note: Wastewater reuse rate = Wastewater reused / (Wastewater reused + Wastewater discharged) × 100%

Total water withdrawal	Ultrapure water usage	Water consumption
11,022,707.65 tons	7,583,336.46 tons	5,574,389.15 tons
Wastewater reused	Water consumption per unit of output value	
3,142,138.00 tons	3.07 tons/RMB 10,000 revenue	
Wastewater discharged	Wastewater discharge intensity	
5,448,318.50 tons	1.51 tons/RMB 10,000 revenue	



Mitigating Environmental Impact

Emissions and Waste Management

JCET strictly adheres to relevant laws and regulations, including the *Regulations on the Administration of Pollution Discharge Permits*, to rigorously manage exhaust emissions and solid waste disposal. The Company regularly engages qualified third-party testing institutions to conduct assessments and promptly discloses environmental monitoring information. This ensures 100% compliant disposal of all waste types and minimizes the environmental impact of emissions. During the reporting period, no major environmental incidents occurred. The Company was not subject to administrative penalties or criminal liabilities from environmental protection departments due to significant environmental events. Furthermore, there were no instances of excessive air pollutant emissions or illegal discharge incidents.

Exhaust Gas Management

JCET's primary exhaust gas emissions include fluorides, nitrogen oxides (NO_x), volatile organic compounds (VOCs), particulate matter (PM), and sulfuric acid mist generated during production processes. The Company strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution* and adheres to local air pollutant emission standards. Following internal management protocols, JCET controls emissions from plants, ensuring that exhaust gases are treated by processing equipment before being discharged in compliance with standards. Monitoring sampling ports are installed at exhaust outlets to constantly monitor key parameters such as exhaust composition, concentration, and flow rate. The Company has established internal warning standards that exceed national standards to prevent exhaust emission risks.

Fluorides

2,154.39 kg

Nitrogen Oxides (NO_x)

13,555.95 kg

VOCs

2,808.11 kg

Particulate Matter (PM)

18,841.04 kg

Sulfuric Acid Mist

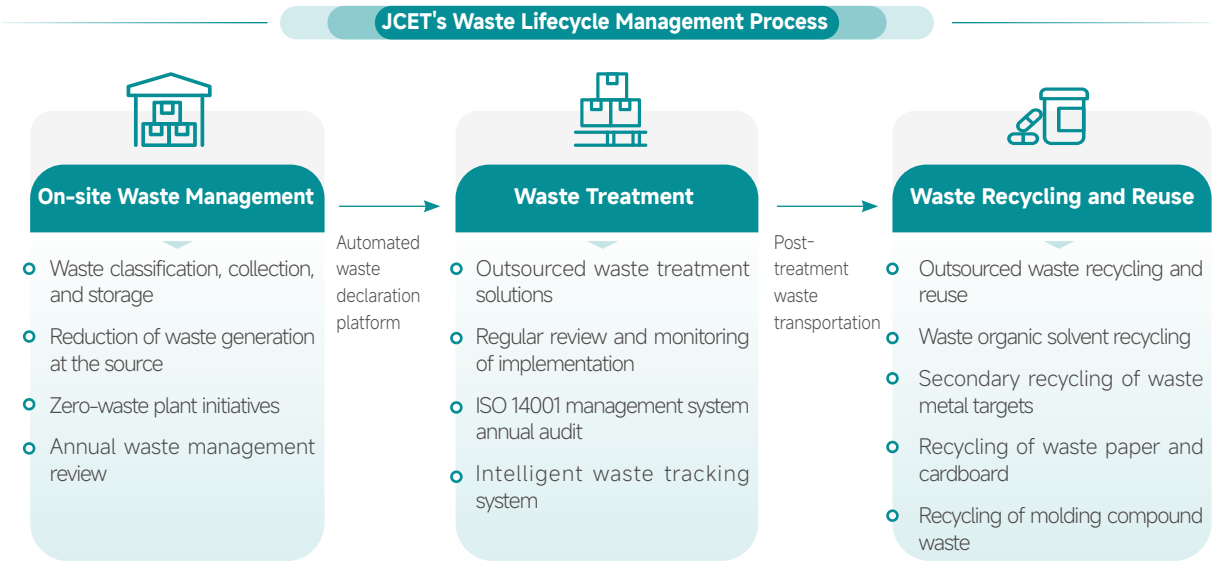
2,853.59 kg

Total Exhaust Emissions (including other trace emissions)

41,462.93 kg

Waste Management

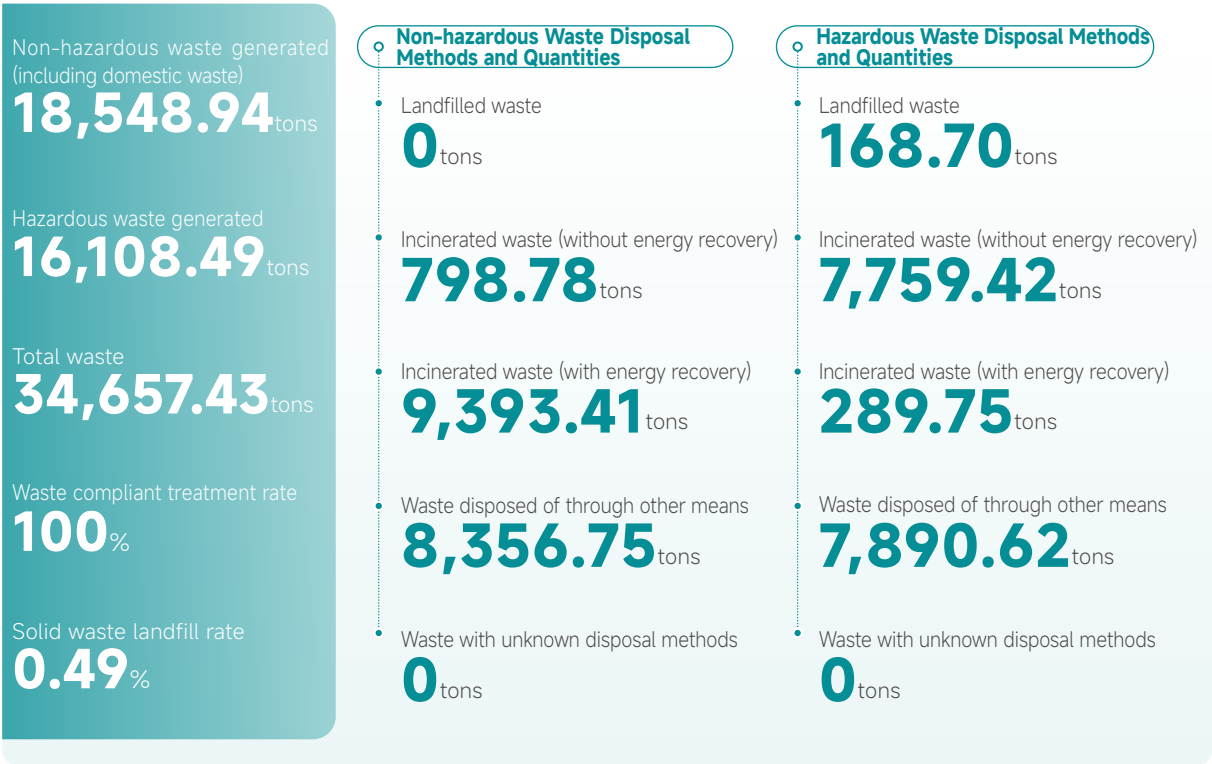
JCET rigorously adheres to the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*. Plants are required to establish systems and documents such as the *Comprehensive Solid Waste Management Procedures*, the *Guidance for Collection, Management, and Disposal of Solid Waste*, and waste ledgers. These measures ensure comprehensive management of waste generated during production and operations, from generation and classification to storage and compliant disposal. During the reporting period, the Company did not experience any illegal incidents related to waste disposal.



The Company has established a Group-wide "zero landfill" goal for waste. It monitors and analyzes waste data from each plant, identifies areas for improvement in waste disposal methods, reduces direct incineration and landfilling of waste, and gradually increases the Group's overall resource utilization rate. In August 2024, the Singapore plant implemented a "zero landfill" policy for sludge, engaging a third-party professional institution to treat it through incineration.

Key Performance

- Waste Management Goal: Solid waste landfill rate < **1%** by 2025



Green Packaging

JCET adheres to regulations such as the *Circular Economy Promotion Law of the People's Republic of China*, consistently improving packaging material utilization rates and reducing overall usage. Throughout the packaging lifecycle – from design and manufacturing to distribution, transportation, and sales – we prioritize the use of recyclable materials. We promote packaging material reduction through internal circulation, resource recycling, and reuse, thereby minimizing natural resource consumption and environmental impact. In 2024, multiple JCET plants actively explored opportunities for packaging material reduction. They implemented recycling programs for frame iron boxes, reels, wafer boxes, spools, cartons, and other packaging materials, recovering over 700,000 items and achieving significant packaging waste reduction.



Key Performance

○ Packaging material reuse: **431,074.33** kg



Wafer box recycling

Jiangyin JCET Advanced Packaging Co., Ltd. has developed recyclable wafer boxes and established the *Wafer Box Recycling Usage Specification* to standardize recycling practices. In 2024, the Company successfully recycled approximately 91,500 kg of wafer boxes.



Tray recycling and reuse

JCET Group Co., Ltd (JCET D3) disassembled damaged trays and reassembled them into new ones, significantly extending their lifecycle. In 2024, this initiative resulted in the recycling and reuse of 36,063.90 kg of trays.



Packaging materials and container recycling

JCET (Chuzhou) Co., Ltd. recycled a variety of packaging materials, including cartons, empty chemical drums, frame reels, and empty welding wire spools. In 2024, these efforts led to the recycling and reuse of 88,532.61 kg of paper and plastic products.

Biodiversity Conservation

JCET strictly adheres to national and local biodiversity protection laws and regulations, integrating conservation efforts throughout its construction, production, and operational processes. This comprehensive approach aims to maintain ecological stability and biodiversity in the areas where the Company operates. During the project planning and design phase, JCET conducts thorough surveys and assessments of the surrounding ecosystem, guided by biodiversity protection requirements. This ensures an in-depth understanding of local biodiversity characteristics and distribution, helping to avoid locations that could adversely affect biodiversity. The Company also obtains the necessary environmental impact assessment reports in compliance with regulations. In the construction phase, JCET rigorously implements the "Three Simultaneities" system—a regulatory requirement mandating that environmental protection facilities must be designed, built, and put into use simultaneously with the main project. The Company also establishes protective measures and defines construction boundaries to minimize impact on local vegetation, soil, and water bodies. During operations, the Company conducts ongoing environmental monitoring, regularly collecting and analyzing data on air, water, and soil quality to promptly identify and address potential issues. When ecological concerns arise, JCET actively engages in restoration and protection efforts.

During the reporting period, the Company partnered with the Hubei Yangtze River Ecological Protection Foundation through its JCET Environmental Protection and Health Charity Foundation to implement a Yangtze River biodiversity conservation project, demonstrating its commitment to biodiversity protection through tangible actions.

Special Topic

"Protecting the Beautiful Yangtze"

Biodiversity Conservation Project

The Yangtze River stands as China's most biodiverse waterway, hosting over 4,300 aquatic species. Its unique ecosystem plays a crucial role in maintaining ecological balance and national ecological security. Long regarded as a cradle of aquatic germplasm resources, the Yangtze serves as a natural gene bank and source of original species for economically important fish. While the river connects extensive water systems and acts as an ecological barrier, excessive development has led to significant ecological degradation. Consequently, rare species such as the finless porpoise and Chinese sturgeon now face critical endangerment.

On November 17, 2024, JCET co-hosted the "Protecting the Beautiful Yangtze - Endangered Fish Scientific Release Event" at the Jiangyin Jiucui Port Wharf. The event was organized in collaboration with the Jiangyin Municipal People's Government and Wuxi Charity Federation. During the ceremony, 430 Chinese sturgeon and 20,000 mullets were released into the Yangtze River in staged batches. The Chinese sturgeon, one of Earth's oldest vertebrates and often referred to as the "Giant Panda of the Water," faces severe conservation challenges. No natural reproduction has been observed for seven consecutive years due to various environmental factors. This event marked the first scientific release of Chinese sturgeon in the Jiangyin section of the Yangtze River, carried out jointly by representatives from participating organizations and youth volunteers. Following the release, relevant agencies will conduct comprehensive monitoring and evaluation to ensure the scientific validity and effectiveness of the initiative.

This pioneering scientific release event for Chinese sturgeon and mullet in the Wuxi Jiangyin section aimed to bolster the Yangtze River's ecology and biodiversity. JCET fully funded this activity through its environmental charity fund, contributing a substantial donation of RMB 560,000. Looking ahead, JCET plans to explore innovative approaches that combine public welfare and environmental protection. The Company aims to spearhead a new model of "Government + Charity + Corporate ESG" in environmental philanthropy. By creating a recognized brand for ecological protection, JCET hopes to encourage greater participation from businesses and the public in Yangtze River conservation efforts, ultimately fostering a harmonious coexistence between humans and nature.





Upholding the Commitment to Quality

- R&D investment throughout the year:
RMB **1.718** billion
- Customer satisfaction score
4.3 (out of 5)
- Supplier mineral sourcing compliance with Responsible Minerals Initiative (RMI) conflict-free smelter standards
100%





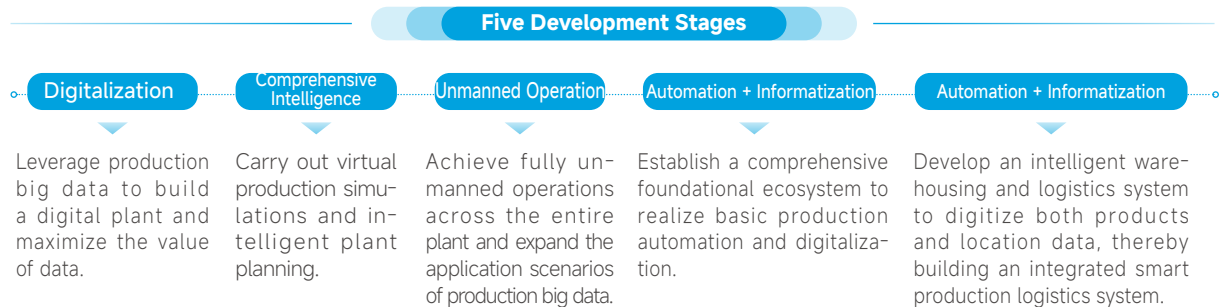
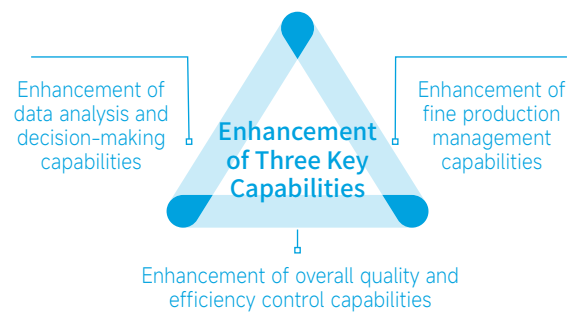
Innovation-driven Development

Governance

JCET has maintained a well-established innovation organizational structure and an efficient development process. Based on this, its two major R&D centers in China and the Republic of Korea closely coordinate with the technical development departments of eight plants worldwide to engage in introduction evaluations for various products and processes following the Advanced Product Quality Planning (APQP) process. The CTO is responsible for overall strategic direction and resource allocation, while the Expert Committee is responsible for the examination and approval of major projects. The business development departments of BUs focus on specific innovation tasks catering to application needs.

Strategy

JCET is committed to its vision of "becoming a world-class integrated circuit manufacturing and technology services company," with innovation and R&D as core drivers of growth. To keep this in mind, the Company has implemented multiple innovation and R&D policies, such as the *Management Procedures for the R&D Project Development of Innovation Centers*, and adopted a robust full-cycle management system of R&D projects. With more investment in R&D and talent development, the Company speeds up its pace to foster new quality productive forces. In addition, it strives to build a new sustainable development paradigm in advanced and intelligent manufacturing of finished chip products through cutting-edge design, smart manufacturing approaches, and forward-looking applications, in order to deliver high-value solutions to society. We have also developed an overarching intelligent development strategy highlighting the application of AI and big data analysis, to boost the digital transformation from traditional manufacturing to intelligent manufacturing.



Risk and Opportunity Management

Protecting Intellectual Property

JCET abides by applicable laws and regulations, including the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, and the *Copyright Law of the People's Republic of China*. In line with these laws and regulations, the Company has formulated its own management policies in this field, such as the *Enterprise Intellectual Property Management Standards*, to continuously improve its intellectual property (IP) management system. To strengthen IP protection, the Company has built a dedicated IP protection team and developed an Intellectual Property Management System (IPMS) to enhance the identification and control of infringement risks and to prevent the loss of intangible assets. While safeguarding its own IP rights, the Company also ensures that it does not infringe upon the trademarks, patents, copyrights, or other intellectual property rights of other enterprises, institutions, or individuals.

JCET has established a dedicated Patent Department to oversee the overall management of intellectual property (IP) affairs and has appointed full-time personnel for this purpose. As of the end of 2024, the Company had five in-service engineers certified as intellectual property engineers through formal training programs, three internal IP auditors, four licensed patent agents, and three certified IP professionals. The Company places strong emphasis on raising IP awareness among employees as part of its day-to-day operations. Regular training sessions are conducted to help employees understand the significance of intellectual property and learn how to effectively apply and protect it in their work. These efforts contribute to upholding fair competition and enhancing the Company's competitive edge in the market.

Improving the Technology Evaluation System

JCET has established a technology evaluation system led by the Expert Committee, the Technical Marketing Department, and the Patent Department, with a focus on three core areas: product engineering, process engineering, and equipment engineering. The Company works to collect information on globally advanced technologies within the industry by staying informed on the latest domestic and international research fields, participating in industry exhibitions, and tracking new patent developments so as to evaluate the gap between its current technical capabilities and international benchmarks. In addition, the Company builds and maintains strategic partnerships with leading battery manufacturers worldwide to keep up with technology trends in the market. These insights gathered support the formulation of technology strategies as references and basis. The Patent Department monitors information concerning patents monthly and conducts quarterly analysis over updates on patent application and authorization, geographic distribution, and technology layout according to the actual situation of the Company. Based on monitoring and analysis results, the department aligns R&D efforts with market trends, considering the need for advanced packaging and testing technologies in multiple sectors such as consumer electronics, automotive electronics, industrial control, cloud computing, and data centers. Additionally, we undertake introduction evaluation of new products, following the APQP process, to reinforce R&D quality control, and accelerate the realization of innovative products.

Optimizing the Innovative Talent Team

JCET continues to strengthen the recruitment of high-end scientific and technological talent, while improving management mechanisms that support their long-term development. The Company steadily advances long-term incentive programs for core personnel and regularly organizes training and exchange activities across various R&D functions. Through these efforts, JCET has built a global R&D and technical expert team distinguished by strong professional competence, extensive industry experience, and a high level of innovation capability. This talent foundation effectively safeguards R&D efficiency and quality, and consistently enhances core technology R&D and independent innovation capabilities, injecting innovation momentum into corporate growth.

Building A Scientific and Technological Innovation Platform

JCET has established two major R&D centers in China and the Republic of Korea. Leveraging national and provincial-level innovation platforms, the Company has built a comprehensive R&D structure comprising one national engineering laboratory for high-density integrated circuit packaging technology (the first of its kind in China), one postdoctoral research workstation, and three national-level innovation platforms, including a state-certified enterprise technology center and a CNAS-accredited testing laboratory. This high-level, open innovation platform and integrated innovation system support technological research and breakthroughs in key areas through both independent and collaborative R&D. These efforts have led to a number of advanced achievements with independently held intellectual property rights. JCET continues to transform its technological achievements into new quality productive forces, contributing consistently to the high-quality development of the industry.

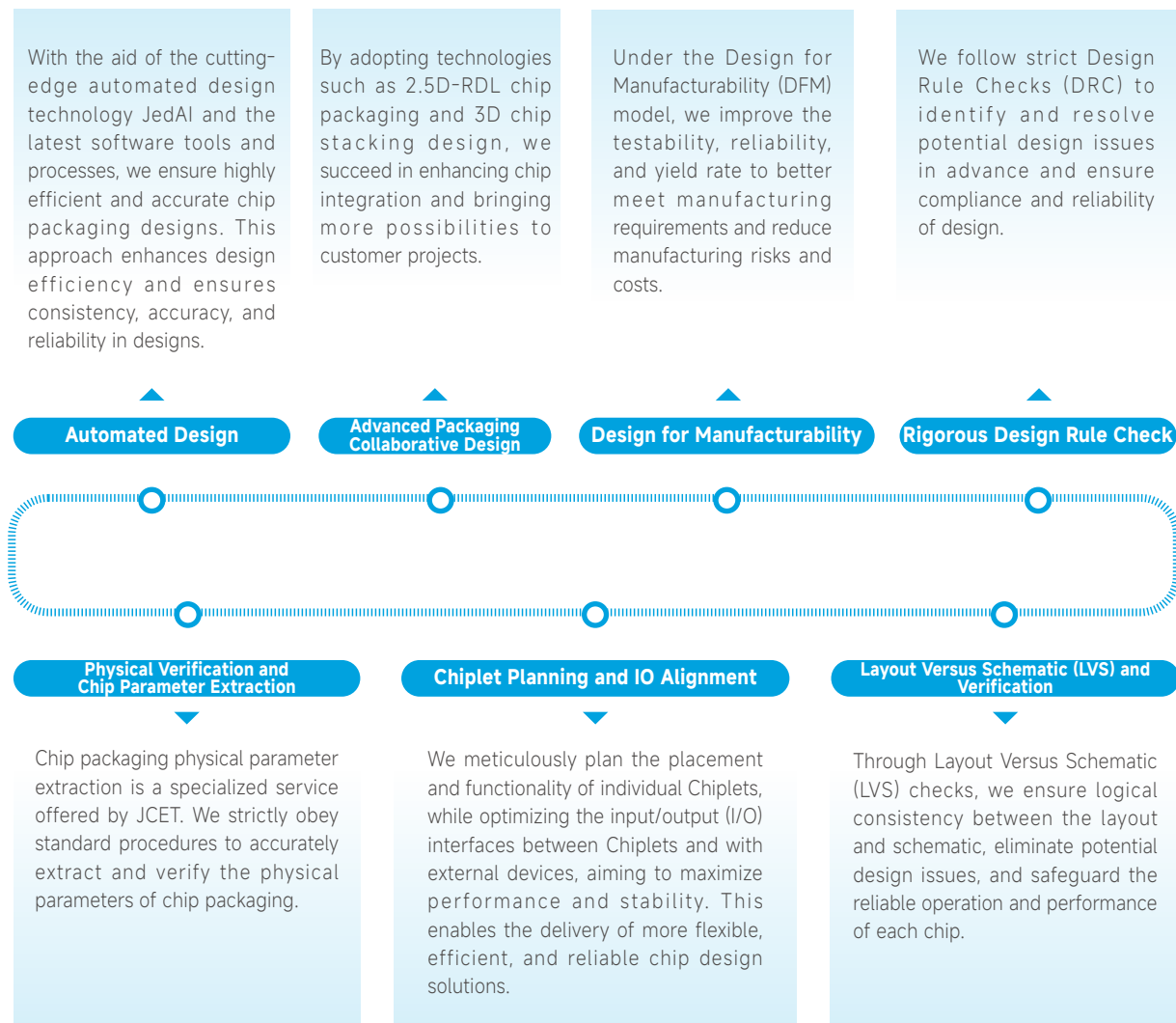
R&D Platforms	Approval Authorities	Platform Positioning and Functions
National Enterprise Technology Center	National Development and Reform Commission, Ministry of Science and Technology, Ministry of Finance, General Administration of Customs, and State Taxation Administration	Guided by the principle of "rooted in engineering and industrial needs, and oriented toward industrial applications," the platform conducts in-depth research on market trends and technological developments. It targets the upgrading needs of China's integrated circuit industry and carries out extensive studies on common key technologies and application-related challenges across the sector. As such, the platform serves as a vital incubator for the Company's technological advancement and industrial transformation.
National Engineering Laboratory	National Development and Reform Commission	The National Engineering Laboratory, jointly established with Shennan Circuits Co., Ltd., the Institute of Microelectronics of the Chinese Academy of Sciences, and the Shenzhen Institutes of Advanced Technology, provides core and enabling technological support for the industrialization of advanced electronic packaging technologies, including high-density integrated circuit packaging. The platform plays a leading role in driving breakthroughs in several core packaging technologies and critical processes, achieving a leading position domestically and reaching internationally advanced standards.
Postdoctoral Research Workstation	Ministry of Human Resources and Social Security	This platform is established jointly with top domestic universities with an aim to attract and cultivate high-end talents for the establishment of a talent pool and the enhancement of innovation capabilities. Building on this platform, we strive to employ and retain postdoctoral researchers whose expertise aligns with our future development.
Jiangsu Provincial Engineering Technology Research Center for Integrated Circuit Packaging and Testing (JCET)	Jiangsu Provincial Department of Science and Technology, and Department of Finance of Jiangsu Province	Led by JCET, this engineering R&D platform for integrated circuit packaging and testing is dedicated to the development of flip chip packaging technologies, encompassing engineering research, pilot testing, and integrated technical services. The platform also plays a key role in promoting the transformation and diffusion of technological achievements, driving improvements in technological capabilities and advancing scientific and technological progress across the entire industry chain, while enhancing JCET's innovation capacity and market competitiveness.
CNAS-accredited Testing Laboratory	China National Accreditation Service for Conformity Assessment (CNAS)	This platform adopts scientific technology and management approaches pursuant to the <i>General Requirements for the Competence of Testing and Calibration Laboratories</i> (ISO/IEC 17025:2005), to conduct testing related to reliability and failure analysis for our products.

Strengthening Industry-Academia-Research Cooperation

Industry-academia-research cooperation in various fields plays an important role in driving JCET's technological innovation. Therefore, the Company has established several joint innovation centers, such as Jiangsu Provincial Ecosystem Consortium, Wuxi Ecosystem Consortium, the National Engineering Laboratory for High-Density Integrated Circuit Packaging Technology, Yangtze River Delta Science and Technology Innovation Center of Wuhan University, and the Joint Research Center of Finished Chip Product Manufacturing. The extensive cooperation with universities and research institutions has promoted the application of cutting-edge technologies, bolstered resource integration of the industrial chain, and enhanced its competitiveness. As of the end of the reporting period, we forged solid partnerships with domestic and international research institutions and universities, such as Wuhan University and Zhejiang University. These collaborations focus on technology R&D of finished chip manufacturing, especially on integrated circuit software development, material structure characterization, and stress warping testing. We strive to cultivate high-level versatile semiconductor talents and heighten technological innovation capabilities by leveraging industry-academia-research complementary advantages, and considering the needs of industrial development.

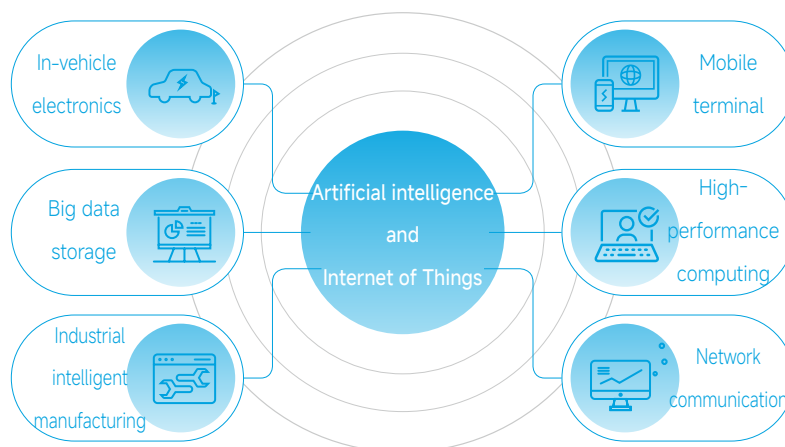
Applying Leading Design Capabilities

JCET leverages industry-leading design concepts, technologies, and testing methodologies to optimize testing processes throughout the entire design cycle. This approach enhances both testing efficiency and chip quality, enabling the Company to deliver high-quality design solutions to its customers.



Staying Updated on Frontier Domains

JCET is accelerating its transition from consumer products to high-performance computing chips, automotive-grade products, 5G communications, and AI-sectors experiencing rapid market growth. In response to market demand and technological trends, the Company has developed new technologies and products with independent intellectual property rights. These include industry-leading advanced semiconductor packaging technologies such as ultra-high-density wire bonding, system-in-package (SiP), ultra-thin wafer-level packaging (WLP), high-performance flip-chip packaging, high-density memory packaging, and 2.5D/3D advanced packaging. Among these cutting-edge technologies, high-density copper pillar bumps, high-density interconnected ultra-thin substrates, embedded component-based substrate technologies, and system-in-package design capabilities are on par with leading global standards, significantly enhancing JCET's core competitiveness and market position. In wafer-level packaging, JCET has achieved breakthroughs in platform-level high-density fan-out wafer-level packaging (HDFO WLP) with large-size, multi-layer redistribution structures. This is recognized as one of the most advanced high-end packaging technologies in the industry and has been applied to high-performance computing, network communications, and artificial intelligence. In 2024, the Company continued to focus on key strategic areas and made notable progress in technology, production capacity, and product upgrades.



Indicators and Targets

In 2024, JCET delivered several major packaging and testing solutions, including a 2.5D power management module for AI high-performance computing motherboard power supply systems; a high-density system-in-package (SiP) module and AP co-packaging solution for smartphone wireless front-end applications; a high-power module solution for new energy inverters; and the proprietary HFBP packaging solution, designed to improve performance and reduce costs for widely used packages such as QFN, backed by independent intellectual property rights.



Key Performance

- R&D investment throughout the year: RMB **1.718** billion, accounting for **4.78**% of operating revenue, up **19.33**% on a year-on-year basis
 Note: Data consistent with the scope of the consolidated financial statements.
- R&D employees: **3,273**, accounting for **14.9**%
 proportion of R&D employees holding a master's degree or above: **10.8**%
- Participated in the development of **8** national and industry standards.
- Total number of patents held: **3,030**, including **2,498** invention patents.
- Patents granted and filed during the year: **178** granted and **587** filed.
 Note: The above data do not include SanDisk Semiconductor.



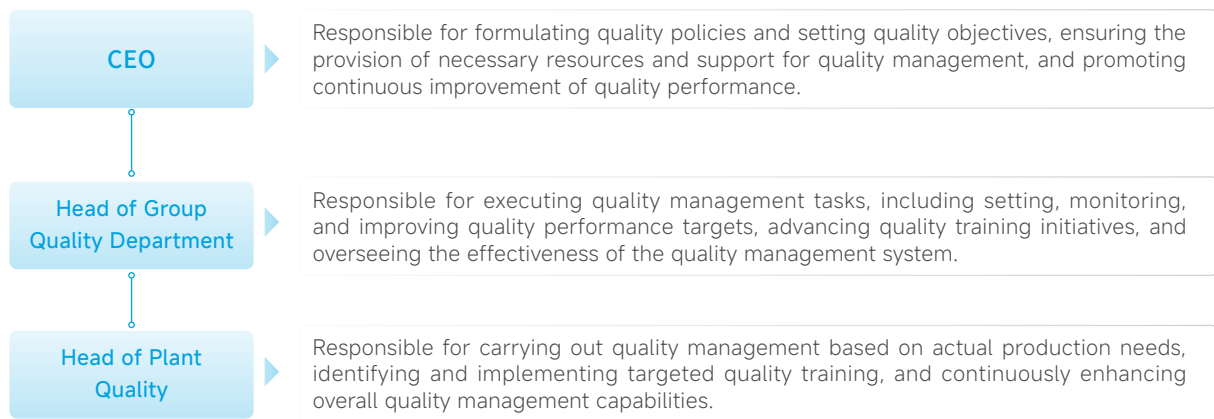
Responsible Products

JCET is always committed to satisfying customer needs. To achieve this goal, the Company complies with the laws and regulations of the countries where products are sold, and continues to improve the quality management system for better quality control. These efforts are made to provide global customers with premium products and services, and create real value.

Product Quality and Safety

Governance

JCET has established a robust quality management framework and a clearly defined product quality supervision mechanism, with responsibilities and authorities allocated across all organizational levels. The CEO serves as the top executive responsible for quality management and assumes overall accountability for the effectiveness of the quality management system. This includes ensuring that the quality policy and objectives are established and aligned with the Company's organizational context and strategic direction. Each plant's general manager is the primary person in charge of plant-level quality management, responsible for setting, monitoring, and improving quality performance targets, and overseeing the entire quality management process at the plant level. The Quality Department at each plant serves as the executing body for quality management, driving the implementation of the quality management system and ensuring the execution of all related tasks.



Strategies and Measures

JCET has determined an overall quality strategy of "achieving high-quality development through innovation and internationalization." As a response, the Company has worked out step-by-step measures, such as "rolling out lean manufacturing and professional governance," "boosting differentiated competition, and leveraging strengths and mitigating weaknesses," and "expanding business types, and making new progress in packaging and testing." Besides, it has proposed a management model of "professional and international management to enable high-quality and innovative development," and applied automotive quality standards in the quality management system. All plants implement the IATF 16949 Quality Management System, APQP, FMEA, and Six Sigma management. Prioritizing advanced manufacturing, and packaging and testing services, JCET endeavors to develop into a global leader in finished integrated circuit manufacturing and technical services.

JCET has established a full-cycle quality management system. Following the system, the Company has launched multiple quality management improvement initiatives in key areas and core processes, catering to customer needs, and tightened hazardous substance management in order to supply safe and high-quality products. Our eight plants have passed ISO 9001 and IATF 16949 quality management system certification. All plants organize scheduled internal audits targeting the quality management system, management reviews, and supplier assessments annually, especially VDA6.3 targeted audit for the automotive product line. These efforts improve the operation of the existing management system and integrate management requirements into business processes, advancing from compliance to effectiveness. During the reporting period, JCET recorded no major quality or safety liability incidents related to its products or services.



Key Performance

- All **8** JCET plants have been certified under the ISO 9001 and IATF 16949 quality management systems.

Excellent Quality Management

○ Customer Needs

- Keep track of changes in both domestic and international markets for integrated circuit manufacturing and technical services.
- Strengthen communication with customers through multiple channels such as customer visits to gain a timely and comprehensive understanding of their needs and expectations

○ Design and R&D

- Provide one-stop solutions, including integrated packaging, testing, and end-customer delivery, by leveraging strong end-to-end capabilities in packaging design, system integration, and testing.
- Develop steps for new product development in line with product quality pre-planning procedures to meet customer satisfaction, ensuring timely completion of each stage and delivery of high-quality products at minimal cost.
- Prevent defects at the design stage, identify potential risks, and pursue continuous improvement toward zero defects.

○ Supply Chain and Procurement

- Ensure high-quality raw material procurement by enforcing strict controls from supplier selection to incoming material inspection to meet production and operational needs.
- Develop annual supplier audit plans based on prior-year performance in cost, delivery, quality, and engineering support; evaluate suppliers in terms of technology, quality, service, and cost, and require continuous improvement.

○ Manufacturing

- Control key factors in the manufacturing process—personnel, machines, materials, methods, and environment to ensure effective quality management.
- Establish a digital, online, and precise information management system using ERP and MES platforms to record, track, trace, query, and analyze production data for timely adjustment of production flow and rhythm in response to market and customer needs.
- Ensure that personnel in production, inspection, equipment, and engineering execute tasks in accordance with control plans and operating procedures, while monitoring process and product characteristics and product reliability.

○ Customer Satisfaction

- We collect customer and market information through a variety of channels, including on-site visits to key customers, customer invitations to the Company, quarterly business review (QBR) meetings, participation in industry exhibitions, market research activities, customer feedback collection, and the use of online communication platforms.
- Conduct annual online customer satisfaction surveys, respond promptly to customer feedback, and implement effective analysis, evaluation, and corrective measures to prevent the recurrence of issues.



○ Building a Company-Wide Quality Culture

JCET upholds the quality policy of "full participation, continuous improvement, pursuing excellence in operation, and exceeding customer expectations," and is committed to fostering a strong culture of quality across the organization. To this end, the Company regularly organizes a variety of quality-related activities and provides ongoing quality training for employees. Staff are encouraged to incorporate quality awareness into their daily work, thereby enhancing collective commitment to quality, improving management efficiency, and driving product excellence.

Quality Policy

Full Participation

Encourage all employees to innovate and improve continuously, rewarding excellence.

Continuous Improvement

Continuously improve our processes, products, and services, focusing on prevention.

Pursuing Excellence in Operations, and Exceeding Customer Expectations

Strive for zero defects and deliver operational excellence that goes beyond customer expectations.

01

Quality Journal

The Company publishes a quarterly quality magazine to communicate the quality culture of continuous improvement and excellence in operation, and to strengthen company-wide quality awareness. During the reporting period, four issues of the magazine were released.

03

Six Sigma Activities

To standardize Six Sigma practices, JCET has established a comprehensive set of policies that clarify the management structure, evaluation mechanisms, qualification certification processes, and incentive and promotion schemes. These policies aim to encourage broad employee participation in Six Sigma initiatives, foster a strong quality culture, pursue zero-defect manufacturing, mitigate product liability risks, and improve customer satisfaction.

On May 30, 2024, JCET hosted its annual Six Sigma Achievements Exchange and Management Communication Meeting. Eight outstanding Six Sigma projects from various plants were presented, reviewed, and discussed. Plant-level Six Sigma leaders also summarized the status and outcomes of their initiatives and collaborated on potential solutions through in-depth exchanges.

02

Quality Seminars

On March 20, 2024, JCET held a quality management seminar focused on crack prevention in thin chips. Engineers from different plants shared their research findings and practical experience, engaging in extensive discussions on quality control measures. Multiple technological innovations were showcased at the event, sparking lively dialogue and driving collaboration on tackling challenges and solutions in thin chip crack prevention.

04

Quality Knowledge Contest

A company-wide quality knowledge contest was held, with total attendance reaching 6,237. The contest covered JCET's quality policy, the zero-defect philosophy, non-negotiable red lines, as well as industry-specific quality fundamentals and standards. By promoting learning through competition, the contest helped enhance employee understanding of quality-related knowledge in an engaging and practical way.

05

Quality Training

We provide both regular and ad hoc quality training sessions for quality managers, quality engineers, technical engineers, and frontline operators:

Conduct offline quality training and assessments annually for new employees, and require all employees to complete annual refresher training and pass examinations through self-directed learning on the HRIS system.

Launch JCET QMC VDA6.3 2023 training, and APQP+CP+PPAP training.



○ Digitalization of Quality Management

JCET continues to advance its digital transformation from traditional manufacturing to intelligent manufacturing. The Company is committed to building a new sustainable development paradigm for advanced and intelligent manufacturing of finished chip products. To this end, it has formulated a comprehensive intelligent development strategy guided by the principle of "integration of informatization and industrialization" and the goal of smart production. JCET has established a workshop-level Industrial Internet of Things (IIoT) system that enables interconnectivity among production equipment. Intelligent systems are deployed to enable real-time monitoring, status tracking, and centralized scheduling of equipment operations. At the core of the intelligent production management system is the Equipment Automation Program (EAP), which facilitates centralized intelligent control. The EAP system collects equipment alarm data in real time and intelligently allocates TNG alarms that can be remotely addressed. These alarms are displayed on centralized control computers, enabling operators to respond via remote interfaces, which has significantly improved equipment efficiency. JCET also incorporates an intelligent warehousing system as a fundamental logistics backbone of its smart plant operations. Leveraging RFID-enabled materials, the system integrates large-scale centralized stockers and on-site electronic shelves to manage on-site storage. As a result, maximum storage capacity has increased by 33% within the same floor area.



○ Hazardous Substance Control

JCET strictly controls the use of hazardous substances in its products in accordance with applicable laws and regulations at home and abroad, including the *Measures for the Administration of the Restricted Use of the Hazardous Substances Contained in Electrical and Electronic Products* released by China, and EU rules such as the *Restriction of Hazardous Substances in Electrical and Electronic Equipment* (RoHS Directive), and the *Regulation on the Registration, Evaluation, Authorization and Restriction of Chemicals* (REACH Regulation). The Company has established internal policies, such as the *Environmental Substance Management Manual*, and the *Technical Standards for Environmental Substance Management*. These documents outline prohibited substances in raw materials to prevent their use in products. A PDCA-based (Plan-Do-Check-Act) safety management mechanism for hazardous substances has been implemented to ensure compliance with regulations throughout production, and delivery of high-standard products and services.



Key Performance

- **5** JCET plants have obtained QC 080000 certification for hazardous substance process management.
- All **8** JCET plants have passed customer audits related to hazardous substances. Among them, plants D3, D8, D9, JSCC, and SCS have been certified under Sony's Green Partner (GP) program, and SCK has been certified under Samsung's Eco-Partner program.

PDCA-Based Hazardous Substance Safety Management System

PLAN



Identification and response: Regularly collect and identify applicable domestic and international regulations and customer requirements; instruct relevant departments to formulate corresponding response measures and management plans, which are incorporated into technical standards and documentation for hazardous substances.

Hierarchical control: Continuously update the hazardous substance control list and implement a three-tier control system (Levels 1, 2, and 3) based on different uses and management requirements.

Substitution planning: Develop substitution plans in advance for substances identified as harmful to human health or the environment and scheduled to be banned after a specified date.



DO



Product design control: Include green and environmental protection concepts in product design, verify compliance with hazardous substance requirements to avoid restricted substances as specified by regulations or customers, and minimize the generation of environmentally hazardous substances and pollutants.

Raw material procurement control: Audit suppliers' capabilities in managing hazardous substances and conduct on-site evaluations; require suppliers to sign a *Commitment Letter on Environmentally Hazardous Substances*, provide a list of controlled substances, and comply with relevant restrictions by prohibiting the use of such substances.

Product material qualification: Require suppliers to provide valid ICP precision chemical analysis reports, Material Safety Data Sheets (MSDS), REACH Substances of Very High Concern (SVHC) declarations, and other compliance documentation issued by accredited third-party testing institutions. Only materials that pass special review and assessment may be included in the qualified materials list for regular procurement and use.

Control in manufacturing processes: Implement identification, inspection, and testing of hazardous substances across all stages, including incoming materials, in-process production, and finished goods shipment.

Implementation of substitution plans: Seek alternative substances as planned, and roll out these substances in procurement and production.



ACT



Management review: Headquarters and all plants conduct annual reviews to assess the implementation of hazardous substance management activities and achievement of annual targets.



CHECK



Testing of hazardous substances in raw materials: Require suppliers to present test reports issued by accredited laboratories, and conduct random inspections to verify compliance.

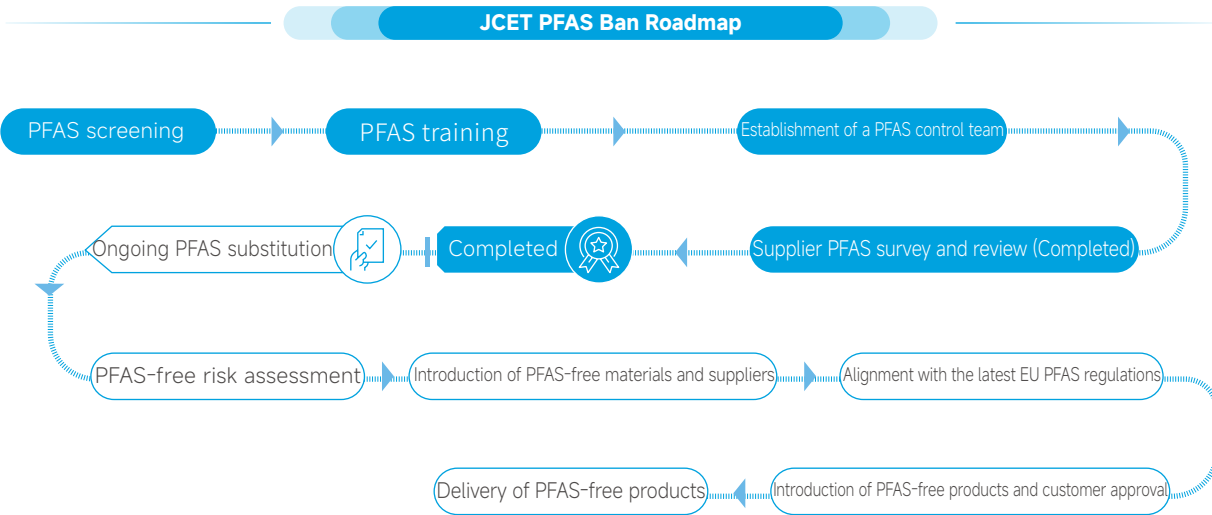
Testing of hazardous substances in products: Conduct annual product sampling from manufacturing bases and commission accredited third-party agencies, such as Société Générale de Surveillance (SGS) and Centre Testing International (CTI), to perform hazardous substance testing.

Training on hazardous substance management: Establish a hazardous substance training system covering induction training, targeted training, and refresher training, and organize ongoing training sessions.

Case | Tightening PFAS Control

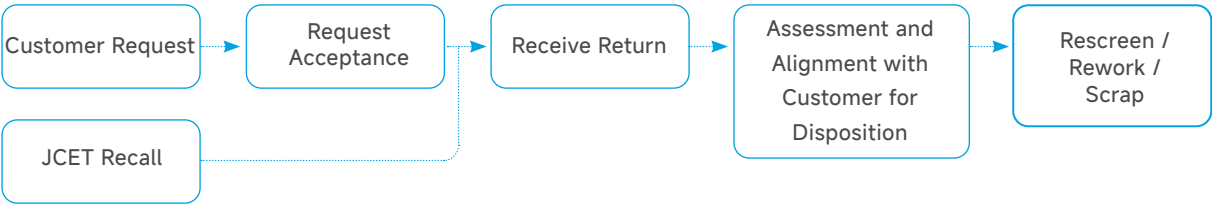
PFAS (per- and polyfluoroalkyl substances) are synthetic organofluorine compounds. They lead to physiological and neurological changes by interfering with hormones, and ultimately cause serious illnesses or even death. In a global industrial landscape, the persistence, bioaccumulation, and toxicity of PFAS pose significant threats to both the ecosystem and humans. As a leading company in semiconductor packaging and testing, JCET aligns its efforts with regulations on PFAS control and the global trend toward a complete PFAS ban. Specifically, the Company identifies high-risk substances, takes measures to restrict, reduce, and replace PFAS, bans potentially non-compliant substances, and formulates phase-out plans.

In 2024, we launched a PFAS control program covering PFAS control training sessions and a PFAS control team. As of the release of the Report, we have completed a supplier PFAS survey and a thorough review of process materials used in plants. In addition, PFAS-free requirements have been incorporated in new material approval, and notified to suppliers in advance via JSRM. In the future, the program will continue progressing toward the goal of delivering PFAS-free products.



Defective Product Management

JCET has established a string of internal procedures, such as the *Management Procedures for Defective Products*, to address defective products found after delivery or use. Upon verification, the Company evaluates whether to notify customers and initiate a recall. Once a recall is launched, competent departments keep tracking recall progress, and take actions for rectification.

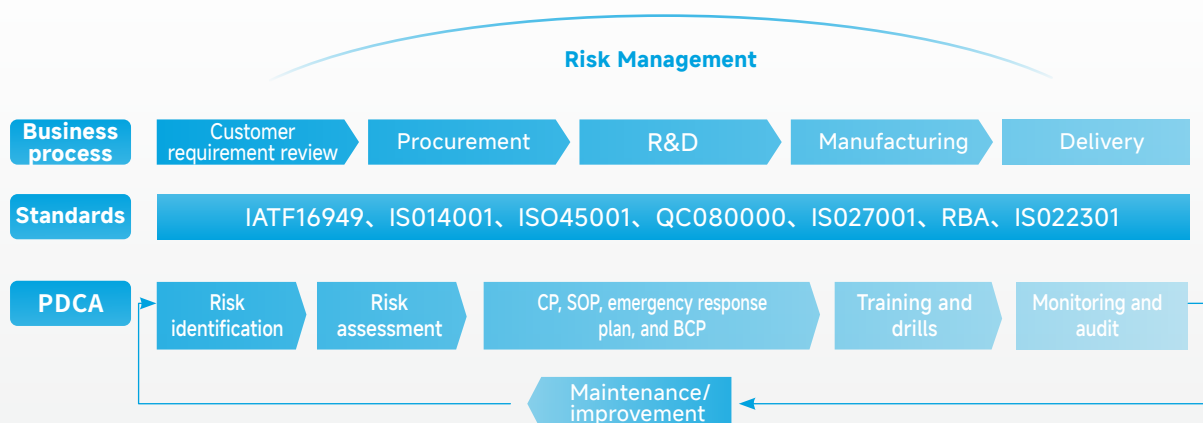


Risk Management

JCET has built a robust product quality management process that covers raw material procurement, production supervision, risk assessment, finished product acceptance, and customer feedback. Besides, the Company has put a series of internal policies in place. These combined efforts ensure product quality from multiple dimensions, and enhance quality risk response capabilities so as to deliver superior and reliable products to customers.

Management Process	Documents	Measures
Supply Chain Management	<i>Management Procedures for Production Suppliers</i> <i>Management Procedures for Production Procurement</i>	Define procurement requirements of raw materials to prevent defective materials from flowing into the production line. Employ various methods to take samples and inspect incoming materials in order to ensure material quality.
Production Process Control	<i>Management Procedures for Production Planning and Control</i> <i>Management Procedures for Process Quality Control</i> <i>Management Procedures for Product Inspection and Testing</i> <i>Protection Management Procedures</i>	Define production inspection routines, abnormality criteria, and response mechanisms. Monitor equipment status and conduct scheduling in real time by using intelligent systems that enable full-process automatic monitoring and immediate risk alerts. Take product samples for inspection at all production stages.
Quality Risk Assessment	<i>Management Procedures for Risks and Opportunities</i>	Establish mechanisms and processes for risk identification, and work out appropriate control measures.
Defective Product Control	<i>Management Procedures for Defective Products</i> <i>Management Procedures for Continuous Improvement</i>	Conduct quality inspection for finished products. Address defective finished products. Make ongoing improvements targeting product quality defects.
Management of Customer Needs	<i>Management Procedures for Customer Satisfaction</i>	Collect customer insights and requirements to facilitate targeted quality improvement.

As a core part of the quality management system, quality risk control spans the entire product life-cycle. JCET has developed an efficient quality risk management system to assess, communicate, control, and review risks related to product quality and safety, thus ensuring product and service quality.



JCET places great importance on product quality testing and has built robust internal inspection capabilities to ensure the full implementation of quality control processes. Dedicated metrology and standardization departments have been established to formulate testing standards and promote the implementation of a comprehensive measurement management system. Measuring instruments are regularly calibrated and tested to ensure accurate traceability of measurement values. To proactively address potential product quality and safety issues, the Company conducts regular preventive and quality control tests. In line with automotive quality management system requirements, JCET performs Measurement System Analysis (MSA), computer simulations, and experimental verifications. The reliability of the testing system is ensured through error evaluation and precision analysis. These efforts lay a solid foundation for enhancing core competitiveness, improving product technology, stabilizing quality control, and ensuring sustainable development. In addition, JCET actively undergoes external product quality inspections by customers and regulatory agencies, and promptly carries out rectification and follow-up actions based on identified issues.

JCET formulates a quality audit plan and sets up an expert panel every year to audit the quality performance of major departments, plants, and suppliers. The audit is initiated to ensure all business operations comply with applicable domestic and international laws, regulations, and industry standards, and continuously improve the quality management system. Furthermore, the Company regularly conducts reviews of the quality management system and product performance to analyze system effectiveness and product quality, and takes all necessary measures to optimize the system and improve product quality. During the reporting period, we pushed ahead with several quality improvement initiatives, set up a Group-level Process Standardization Group (PSG) for substrates and flip chips (FC), and advanced company-wide Continuous Improvement Process (CIP) and Six Sigma project management. These outcomes optimized the quality management system, and improved product quality.

Indicators and Targets

JCET always places priority on product quality control. Relying on the full-cycle quality management system, the Company has set indicators and goals, regularly tracked progress, and tightened quality control to deliver premium, safe, and reliable products to customers.

Product Quality Control

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Target: 100% achievement rate for Total Customer Quality Incidents (TCQI)

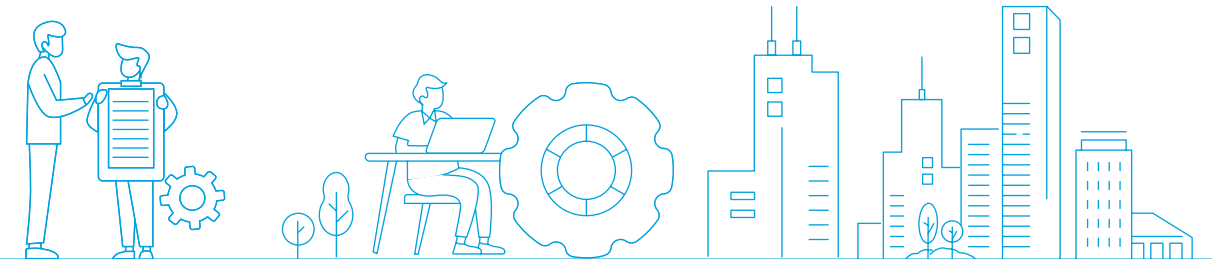
Target Achievement Status: The actual achievement rate for TCQI reached 104%.

Quality Audit

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In 2024, all plants passed the IATF 16949 recertification audit by SGS, and obtained the new IATF 16949 certificate.

In 2024, we concluded the internal audit for systems as planned in accordance with IATF 16949, ISO 9001, and internal management procedures. And responsible departments took rectification actions targeting issues identified in order to avoid similar incidents.



Customer Relation Management

Customer Service Management

Prioritizing customer needs, JCET continues to optimize the customer service system. Notably, the Company has developed internal management policies, standards and procedures, such as the *Sales Management Policy*, the *Sales Process Management Standards*, the *Management Procedures for Customer Satisfaction*, and the *Management Procedures for Customer Needs*, clearly defining the pre-sales, in-sales, and after-sales processes. We deliver high-quality, efficient, and flexible services to meet customer needs and maintain effective communication with global clients, striving to earn long-term trust and achieve mutual success.



- Collect and analyze customer and market data to have a good knowledge of customer needs and market demands, and provide tailored packaging and testing services.



- Develop production planning based on customer-supplied materials, ensuring information accuracy; give clear orders to production departments while minimizing errors.
- Closely communicate with customers to confirm delivery schedules; work out reasonable production and procurement plans aligning with customer plans to improve production efficiency and logistics punctuality for on-time delivery.
- Visit customers regularly to better understand their needs and address their challenges.
- Track production progress closely, and respond promptly to any anomalies.



- Provide timely and professional technical support and services for customers.
- Respond to customer inquiries and concerns timely, and cope with complaints return/exchange requests responsibly.
- Maintain on-going communication with customers, and conduct satisfaction surveys to gather customer needs and market feedback.

JCET has established a dedicated Sales Department to continuously improve customer service experience. Efforts are focused on enhancing service quality through market orientation, technology-driven approaches, and effective customer communication and relationship management. In addition, the Company launches key improvement initiatives each year to optimize customer service and strengthen overall service capabilities.

Dimension	Management Actions	Key Improvement Initiatives in 2024
Market Orientation	Marketing strategy development: Formulate dedicated marketing strategies to comprehensively address customer needs.	Contract conclusion and improvement: Implement the One MSA contract signing model, allowing customers to collaborate with all JCET plants by signing a single contract with JCET, which streamlines the sales contract conclusion process and enhances service efficiency.
	Target market identification: Identify target market segments and applications through data analysis, and assist customers in selecting optimal solutions to enhance their market competitiveness.	
Technology-Driven Development	Demand creation: Stimulate demands in strategic market segments and among integrated circuit manufacturers by promoting JCET core technologies and solutions, which also strengthens customer recognition and trust in its technological capabilities.	System development and upgrade: Develop a B2B data system, and integrate this system with the customer SAP system. Such integration enables automatic creation of orders in the JCET SAP system upon receipt of customer orders. Data on material input, completion, and outbound logistics is automatically uploaded at the production terminal, which allows customers' warehouses to take delivery of goods by presenting the shipping notices of JCET. This significantly boosts customer service efficiency, and helps JCET respond to changes in customer needs swiftly.
	Solution optimization through analysis: Promptly identifies customer needs and potential issues, coordinates internal resources to deliver effective solutions, and ensures timely technical support when challenges arise.	
Communication and Relations with Customers	Strategic information transmission: Identify customer targets and needs clearly through effective strategic information transmission and positioning, in order to create more opportunities for engagement with customers, and enhance their sense of participation and loyalty.	Sales team consolidation: Reorganize office layouts based on team structure to enhance collaboration and communication efficiency, reduce internal communication costs, and improve responsiveness to customer needs.
	Continuous tracking and service: Develop business development blueprints upon market analysis, promotion and project follow-ups, explore customer needs and cooperation opportunities, and provide personalized services that elevate the customer experience.	

JCET has intensified efforts to step up the customer service capabilities of its sales teams. Notably, the Company develops an annual training plan covering technical, professional, general, and leadership skills. According to the plan, we invite external and internal trainers to deliver lectures, and put online training courses in place for self-learning. These measures aim to enhance the all-round capabilities of support sales teams, and support their upgrade from single-product marketing to complex solution marketing. During the reporting period, we conducted five targeted sales capability training sessions on technical competence, communication, and presentation skills, project management, and OKR Workshop, totaling 527 hours, with 65 trainees.



OKR Workshop Training Session Site

Understanding Customer Needs

JCET attaches great importance to customer concerns and feedback. The Company has established a regular communication mechanism and comprehensive procedures for handling customer feedback and complaints. It ensures timely response and resolution, tracks the progress and outcomes of each case, and guarantees that customer needs are addressed promptly and effectively.



Define Response Timeframe

Clearly specify response deadlines—7 days for simple issues and 14 days for complex ones. The system automatically tracks progress and sends email notifications to responsible departments to ensure timely handling.

Define key indicators such as TCQI cases and repeat defects (monitored over an 8-week YTD period). Conduct weekly statistical reviews to assess plant health, and require plants with substandard performance to conduct root cause analysis and implement corrective actions.



Monitor Plant Health Indicators



Enhance Internal Coordination

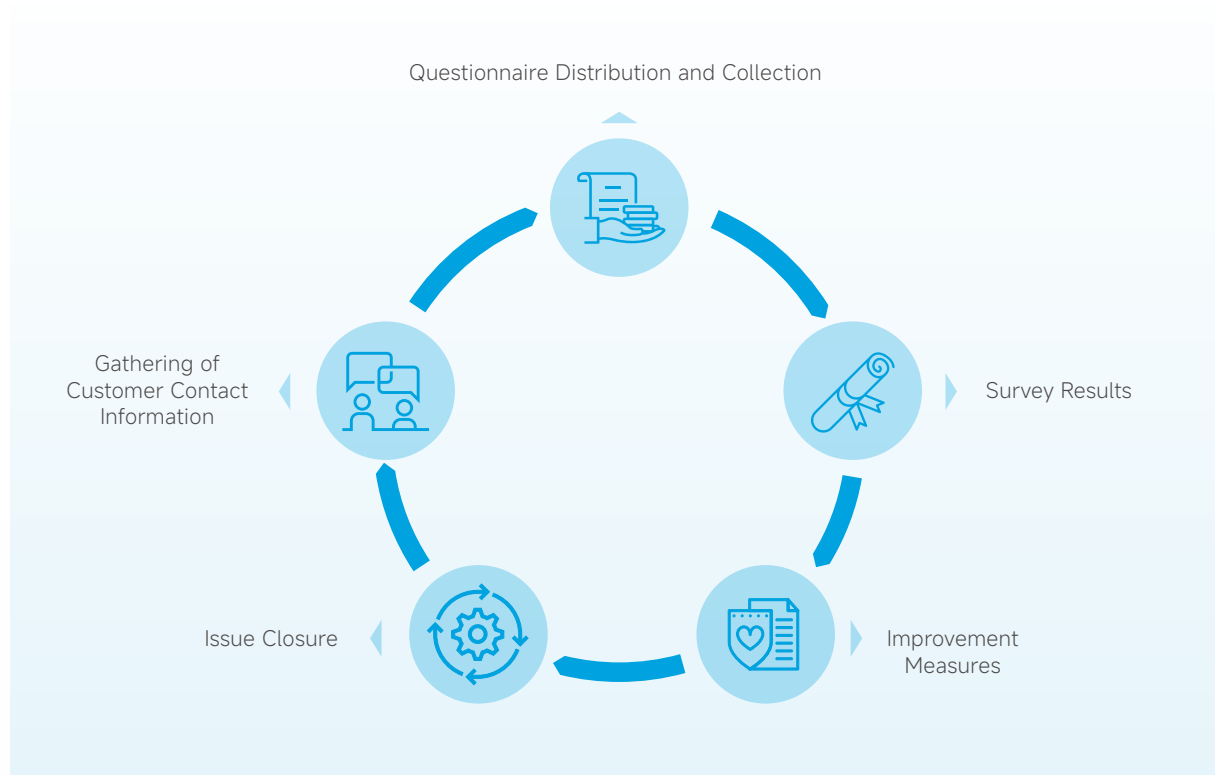
Establish a quarterly communication mechanism between the Headquarters' Quality Department and factory management to facilitate collaboration on resolving quality issues, thereby improving product quality and enhancing customer satisfaction.



Key Performance

- Number of customer complaints: **21**
- Customer complaint handling rate: **100%** Customer complaint closure rate: **100%**

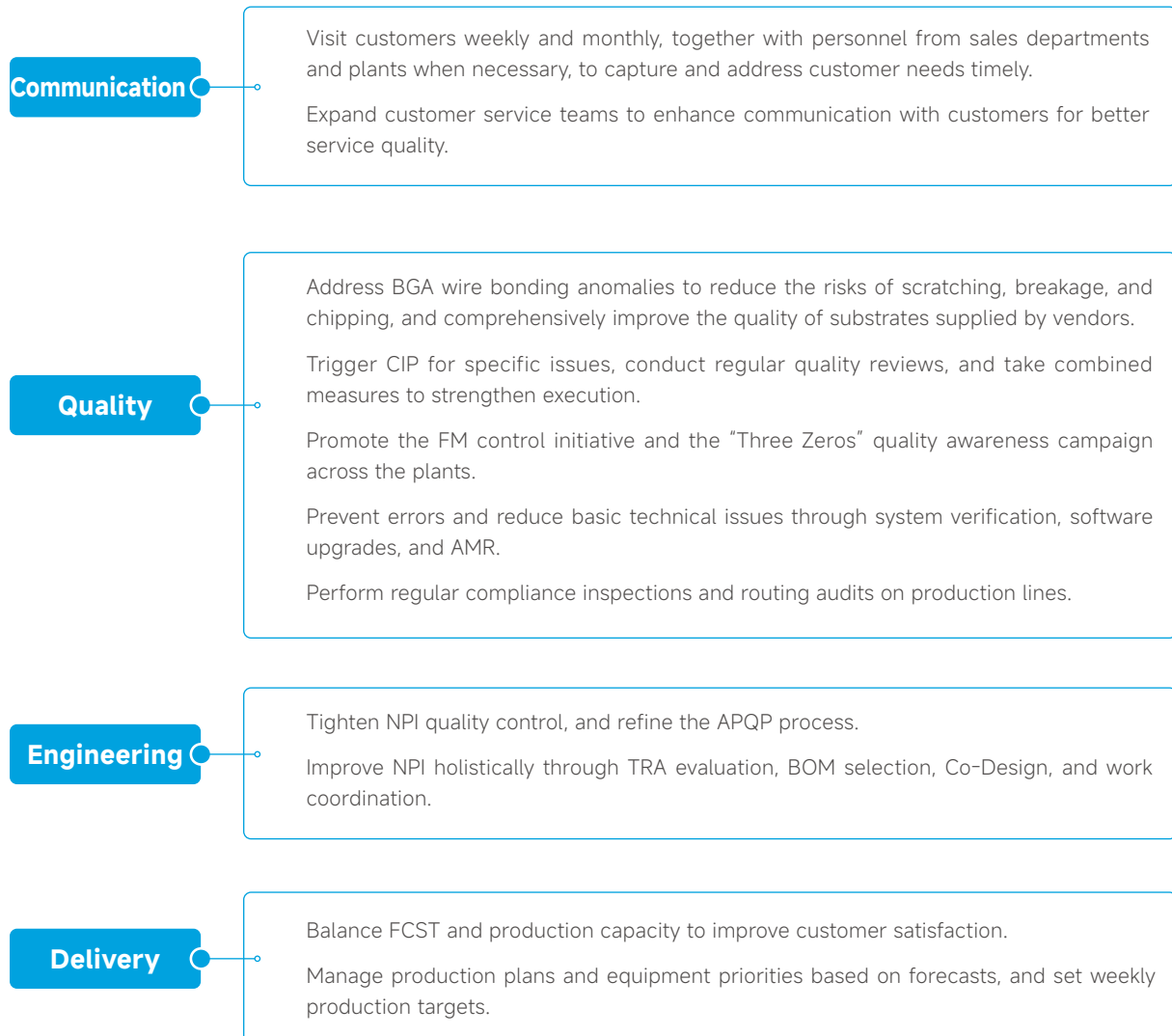
JCET conducts an annual customer satisfaction survey among global clients through online questionnaires, gathering feedback and ratings on areas such as sales, quality, production, engineering, and customer service. The Company then summarizes and analyzes the results, and promptly implements targeted improvement measures to continuously optimize its products and services and enhance customer satisfaction.



Key Performance

- Customer satisfaction score: **4.3** (out of 5)
- Qualified delivery rate of 8D customer complaint investigation reports: **100%**
- Received recognition awards from **86** key customers.

Based on the results of the 2023 customer satisfaction survey, JCET identified and analyzed customer needs and concerns in 2024 across dimensions such as communication, quality, engineering, and delivery, and implemented targeted improvement measures to enhance service quality.



Responsible Marketing

JCET strictly complies with applicable laws, regulations, and industry standards in all regions where it operates. In line with compliance requirements, the Company has established a rigorous examination and approval process, and a review and supervision mechanism for responsible marketing materials to ensure all marketing materials are reviewed and approved by authorized management personnel before release. We provide relevant employees with clear guidance to enable accurate and responsible communication with customers and other stakeholders. Additionally, we regularly conduct responsible marketing training for all employees involved in marketing activities, and require that all external reception and communication activities follow pre-approved messaging and unified guidelines to avoid the dissemination of false, exaggerated, outdated, ambiguous, or undisclosed information. During the reporting period, there were no major violations related to marketing.



Sustainable Supply Chain

Supplier Full-cycle Management

The quality, resilience, and sustainability of JCET’s supply chain are critical to the Company’s long-term and steady development. JCET strictly complies with national laws and regulations such as the *Bidding Law of the People’s Republic of China* , and is committed to building a sustainable and resilient supply ecosystem. To this end, the Company has formulated and continuously refined internal management systems, including the *Supplier Management Procedures*, the *Supplier Relationship Management Standards*, the *Supplier Risk Management Standards*, and the *Supplier Audit Management Standards*. These documents refine the full-cycle supplier management system and mechanism, ensure fairness, justice and transparency in procurement practices, and encourage suppliers to enhance their sustainable management capabilities with a view to moving toward a high-quality supply chain.

Supplier Full-cycle Management

Supplier Access

Define multi-dimensional supplier access criteria, and investigate and screen suppliers in terms of their quality reliability, service competence, production and delivery capacity, technical skills, and risk resistance ability. Set up a cross-department collaboration mechanism for all-round supplier access evaluation, and only include suppliers passing the evaluation in the qualified supplier pool. Strengthen bidding management by leveraging platforms such as the CR Shouzheng Electronic Tendering and Procurement Platform to gain more high-quality suppliers and enhance the fairness, justice and transparency of bidding projects.

Supplier Audit

Implement the *Supplier Audit Management Standards*, set up a professional auditor team, formulate the checklist in accordance with IATF 16949, VDA6.3, HSPM and RBA, and chart the annual supplier audit plan to assess contract performance, product and service quality, and ESG highlights for suppliers. Prepare the audit report to disclose issues identified to suppliers, and help them take actions for continuous improvement, in order to ensure healthy and stable business operation.



Audit types

new supplier audit, annual qualified supplier audit, and target audit



Audit methods

on-site audit, written audit, and remote audit



Audit management systems

Quality Management System (QMS), Hazardous Substance Process Management System (HSPM), RBA Code of Conduct, Information Security Management System (ISMS), as well as Risk Prevention and Trade Security Requirements (RPTS)

Supplier Rating and Classification Management

Supplier performance is evaluated through quarterly scoring and business reviews. Based on the results, suppliers are categorized into five levels (A to E), each with corresponding management requirements and evaluation criteria. Identify top suppliers and implement dynamic rating management annually according to evaluation results, procurement scale, and strategic risks.

A	90-100	Notify the supplier to seek continuous improvement.
B	80-89	Notify the supplier to seek continuous improvement; present a written analysis report if the improvement reporting rules are met.
C	70-79	Require the supplier to submit the improvement plan and take corrective actions; launch a targeted audit if needed.
D	60-69	Restrict cooperation with the supplier, suspend new product development, and mandate the supplier to take corrective measures within three months.
E	<60	Disqualify the supplier.

Supplier withdrawal

Suppliers will be promptly removed from the qualified pool under any of the following circumstances: 1) < 60 points in a specific audit checklist; 2) seriously impacting product reliability or safety; 3) failing to prevent quality, safety, or environmental incidents due to the absence of required systems; 4) violating laws or regulations severely. Where necessary, such as in cases involving exclusive or strategically important suppliers, a second audit may be conducted following the completion of corrective actions.



Key Performance

- A total of **220** suppliers were audited throughout the year, including **91** that underwent on-site audits.

Supply Chain Risk Control

JCET integrates sustainable supply chain development into its management system. The Company creates supplier evaluation items in line with RBA and ILO standards, and business continuity requirements. Pursuant to the *Supplier Risk Management Standards*, the Company identifies, assesses, manages and monitors potential risks in the supply chain, including ESG risks, and maintains strict control over procurement processes and suppliers throughout the life cycle to foster a high-quality, resilient, and sustainable supply chain. For details on supply chain business ethics and anti-corruption management, please refer to the "Stable and Efficient Operations/Business Ethics" section.



Key Performance

Suppliers are required to sign the following documents

- *Stakeholder Commitment to RBA*
- *Stakeholder Commitment to Environmental and Occupational Health and Safety*
- *Stakeholder Commitment to Information Security*
- *Stakeholder Commitment to Trade Security*
- *Supplier Integrity Statement*
- *Supplier Non-Disclosure Statement*

Case | Initial ESG Assessment of Major Suppliers

In June 2024, JCET carried out the first ESG assessment of 40 major material suppliers, integrating sustainability requirements into routine supply chain management. Based on four ESG indicators promoted by the Company, suppliers achieved implementation rates of 81% for solid waste landfill reduction, 65% for greenhouse gas emissions control, 74% for water conservation, and 35% for renewable energy use. Moving forward, JCET will enhance refined supply chain management and standardized ESG evaluation. The Company will continue to promote, track, and guide ESG practices among all material and equipment suppliers in line with internal ESG management indicators, and conduct quantitative benchmarking to monitor core suppliers' ESG performance, ensuring alignment across the entire value chain.

Quality Risk Prevention and Control in the Supply Chain

JCET has developed multiple supply chain management standards and procedures, such as the *Raw Material Quality Verification and Control Standards*, the *Supplier Management Procedures*, and the *Supplier Risk Management Standards*. These documents clarify the evaluation and qualification review process for all suppliers, and define supplier qualification validity and quality evaluation methods and criteria, and audit methods. They serve as unified guidelines for implementing the supplier full-cycle quality management system. Suppliers are required to present professional qualifications for their products and services, and maintain a well-established quality management system that meets current laws and regulations. The Supplier Audit Management Standards clearly define the quality inspection criteria and audit procedures for various categories of materials, covering 14 key dimensions such as quality management systems, engineering change control, development process control, metrology management, non-conformance management, and hazardous substance control. In accordance with this framework, JCET conducts regular supplier audits, performance evaluations, and continuous improvement initiatives to ensure product quality and safety. The Company also maintains active communication with suppliers, providing guidance and support to enhance their quality management systems and jointly strengthen overall quality control capabilities.

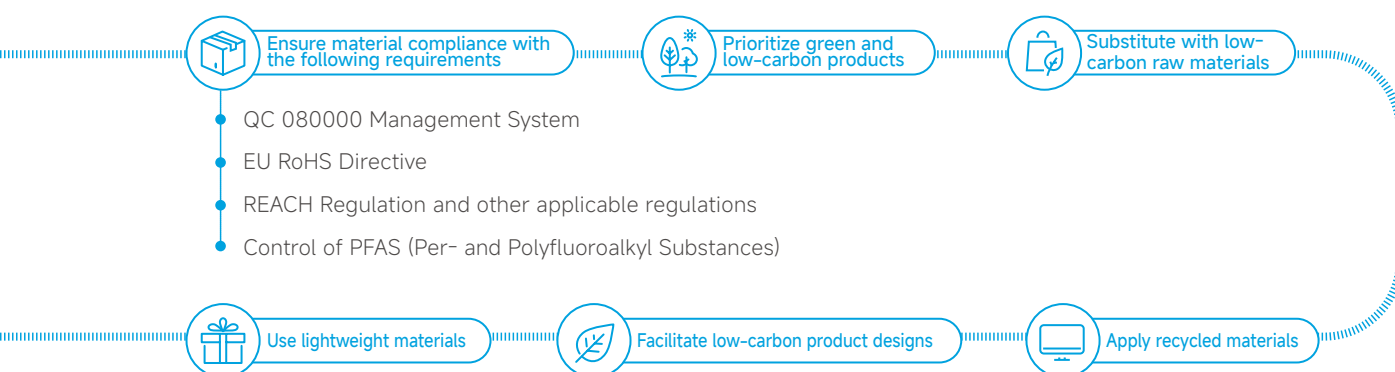
During the reporting period, JCET undertook a series of initiatives to strengthen supply chain quality consistency and enhance the integration of domestic and international industrial chain resources. Key actions included: jointly formulating stringent quality standards with suppliers; reinforcing incoming material inspections; establishing a full-process quality traceability system; advancing system solutions for raw material standardization and inspection data management (such as the JQMS system); and developing a digital supplier interaction platform (JSRM system). These efforts have helped ensure the continuous delivery of high-quality products and services by suppliers, while effectively reducing raw material quality fluctuations and product defect rates.

Human Rights Risk Prevention and Control in the Supply Chain

In line with ILO and RBA requirements, JCET has developed the audit checklists covering human rights, anti-discrimination, no child labor and forced labor, female employee protection, freedom of association, collective bargaining, working hours and wages, as well as occupational health and safety. The Company organizes regular supply evaluations and audits based on these checklists, and requires suppliers to sign the *Stakeholder Commitment to RBA*, and the *Stakeholder Commitment to Environmental and Occupational Health and Safety* to ensure suppliers comply with human rights and ethics requirements when manufacturing products and providing services.

Green Transition of the Supply Chain

JCET plans to establish a green information disclosure platform, actively advance green procurement, and incorporate EHS requirements into supplier audits. As part of the audit process, the Company assesses suppliers' environmental management system certifications and implementation status, and requires that all supplied products comply with applicable environmental laws and regulations. We also encourage supplier partners to adopt green and environmentally friendly technologies, use limited resources prudently and responsibly, and minimize the environmental impact of their operations, working together to promote the sustainable and green development of the supply chain.



Resilience Improvement of the Supply Chain

JCET has developed the *Supply Interruption Emergency and Business Continuity Plan* and continuously works to optimize its supply chain structure. The Company has established multiple sourcing channels to improve self-sufficiency across the industrial chain, strengthened preventive controls, and effectively mitigated potential risks throughout the supply chain to enhance overall resilience. In 2024, raw material supply remained stable, and production was not affected by any shortages.

○ Strengthening Risk and Emergency Management

JCET identifies key supply chain risks—including natural disasters, geopolitical events, legal, operational, and technical risks, as well as logistics disruptions, and has developed both short-term emergency plans (such as safety stock strategies and internal reallocation mechanisms) and long-term contingency plans (including supplier diversification and multi-site certification for single suppliers). These measures aim to mitigate supply disruptions caused by factors such as climate, distance, or policy, and reduce dependence on single suppliers or regions. The Company has also established a supplier mapping system to quickly locate and assess impacted suppliers during emergencies and determine whether to activate the emergency response plan, thereby ensuring continuity of supply.

○ Developing International Supply Chain Capabilities

JCET promotes a diversified global supply chain strategy by establishing procurement centers in Japan and Singapore. The Company regularly dispatches employees to receive training from internationally leading suppliers, benchmarks global best practices, and continuously improves professional capabilities, global procurement skills, and international strategic vision.

○ Bolstering Supply Chain Capacity Improvement and Collaborative Development

Building Supply Chain Capabilities and Collaborative Development: JCET works closely with leading suppliers as strategic partners on joint R&D initiatives in advanced technology areas such as 2.5D, 3D, and Chiplet packaging. The Company has established robust and agile coordination mechanisms with key suppliers to build long-term, stable partnerships that can collectively respond to market fluctuations and risks. We also organize global supplier conferences to enhance communication, promote information exchange, and facilitate technical collaboration. The latest requirements are communicated to suppliers through emails, training, meetings (including remote sessions), supplier audits, the JSRM system, and technical exchanges, with the aim of continuously improving supplier product and service quality and strengthening the overall competitiveness of the supply chain.





Responsible Minerals

As a responsible enterprise, JCET has formulated the *Conflict-Free Minerals Policy* in accordance with the OECD *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* and other applicable standards. The Company has built a robust due diligence management system and formulated clear and transparent procedures for managing the use of mineral resources throughout its production and operational processes. JCET is committed to refraining from accepting or using conflict minerals originating from the Democratic Republic of the Congo and its neighboring countries and regions. The Company is dedicated to sourcing minerals such as tantalum, tin, tungsten, gold, and cobalt in a responsible manner, and regards responsible mineral procurement as an essential component of its supply chain management, contributing to the development of a conflict-free mineral supply chain.

JCET's Commitment to Conflict-Free Minerals

Conflict minerals refer to 3TG (tantalum, tin, tungsten, and gold), cobalt, and mica sourced from conflict-affected or high-risk areas, as well as minerals obtained through smuggling or controlled by non-governmental armed groups or illegal military factions. JCET requires all suppliers to comply with the RBA Code of Conduct and to source materials exclusively from environmentally and socially responsible suppliers. All suppliers shall refrain from the procurement and use of conflict minerals, meet the requirements for conflict-free minerals, and purchase from the list of Responsible Minerals Assurance Process (RMAP) conformant smelters and refiners recognized by the RMI (<http://www.responsiblemineralsinitiative.org/>). All suppliers shall purchase metals from smelters and refiners validated by the RMAP to have met the requirements for conflict-free minerals. Refiners and smelters that fail the RMAP assessments shall be removed from the supply chain.

Promotion of Conflict-Free Mineral Policy

JCET communicates its conflict-free mineral policy to direct suppliers through multiple channels. In the links of supplier access or material introduction, the Company signs the *Stakeholder Commitment to RBA*, and the *Commitment to Avoid Environmental Hazardous Substances* to mandate the exclusion of conflict minerals. The conflict mineral management rules are also incorporated into contracts and agreements with suppliers. All suppliers are required to comply with these rules, and commit to avoiding minerals from conflict-affected areas. In addition, we encourage suppliers to establish their own conflict mineral policies, and communicate these policies to their upstream partners.



Key Performance

- **100%** communication coverage of the *Conflict-Free Minerals Policy* and the *Stakeholder Commitment* to the RBA
- **100%** signing rate of the *Stakeholder Commitment* to the RBA

Due Diligence of Conflict-Free Minerals

JCET adheres to a responsible mineral procurement policy. The Company has established a comprehensive set of conflict-free mineral management procedures, designated conflict minerals as a key component of its RBA social responsibility targets, and carries out annual due diligence to ensure supplier compliance with relevant control measures. All suppliers are required to source metals exclusively from smelters and refiners certified as conformant under the Responsible Minerals Assurance Process (RMAP) by the Responsible Minerals Initiative (RMI).

© *RBA Management Manual*

Manage conflict minerals in accordance with the RBA Code of Conduct, and sign the *Stakeholder Commitment to RBA* with all relevant stakeholders to prevent the use of conflict minerals.

© *Technical Standards for Environmental Substance Management*

Require all suppliers to refrain from procurement and use of conflict minerals, and sign the *Commitment to Avoid Environmental Hazardous Substances* in accordance with applicable hazardous substance regulations; launch the annual due diligence based on the RMI standard template.

© *Management Procedures for Production Suppliers*

Perform on-site audits for new suppliers and annual audits for approved ones in line with the *Supplier Audit Management Standards*, both of which involve dedicated evaluation on conflict-free minerals; only qualify suppliers that meet conflict-free mineral requirements.

Require suppliers to submit due diligence documents for the initial introduction of new materials, and organize targeted reviews by the factory to ensure compliance with hazardous substances and conflict mineral requirements before the use of new materials.

In accordance with customer requirements and relevant regulations, JCET has established due diligence procedures for conflict minerals. The Company formulates annual due diligence plans, regularly conducts responsible mineral investigations among suppliers, and promotes corrective actions to strengthen risk control. Suppliers are required to truthfully complete and submit the Conflict Minerals Reporting Template (CMRT) and the Extended Minerals Reporting Template (EMRT), disclosing the usage and origin of relevant minerals contained in delivered products, and providing supporting documentation. Based on the submitted information, JCET verifies the sources of 3TG, cobalt, mica, and other minerals used in packaging materials. If any minerals are identified as originating from conflict-affected regions, immediate substitution measures are implemented.



Key Performance

During the reporting period

- A total of **209** material suppliers were included in the responsible minerals due diligence process.
- **100%** of relevant material suppliers underwent responsible mineral due diligence.
- **100%** of suppliers sourced minerals exclusively from smelters and refiners conformant with the Responsible Minerals Initiative (RMI) conflict-free requirements.

04

Charting a Shared Path to a Brighter Future

○ Total employees

21,919

○ Proportion of female employees

39.54%

○ Cumulative employee training duration

1,357,060 hours





People-Oriented Approach

Throughout 2024, JCET intensified its focus on talent management, developing a talent-centric, comprehensive human resource planning framework. The Company successfully implemented an end-to-end management system covering talent attraction, identification, development, retention, and succession planning. These initiatives significantly enhanced JCET's ability to attract and deploy top-tier talent, fostering a synergy between employee growth and corporate strategy, thus establishing a robust talent foundation for the Company's sustained growth.

Inclusive Workplace

JCET consistently champions diversity and inclusivity, striving to nurture a work environment that celebrates differences and promotes equitable development. The Company is dedicated to empowering employees to maximize their individual potential and achieve continuous personal growth. JCET places a strong emphasis on labor and human rights management, employing a multi-faceted approach that includes diverse recruitment strategies, competitive compensation and benefits packages, transparent career advancement pathways, and efficient communication channels. These concerted efforts serve to attract, motivate, and retain exceptional talent across all organizational levels, laying a solid foundation for mutual growth between the enterprise and its workforce, and fostering a symbiotic workplace ecosystem.



Talent Attraction

Fair Employment

JCET rigorously adheres to international human rights standards, including the *International Bill of Human Rights*, the *ILO Conventions*, the *ILO Declaration on Fundamental Principles and Rights at Work*, and the *UN Guiding Principles on Business and Human Rights*. The Company also complies with all applicable laws, regulations, and policy requirements related to human rights protection in its overseas operational locations. Domestically, JCET strictly observes relevant regulations and policies, such as the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Protection of Labor Rights and Interests*. Guided by internally developed policies, including the *JCET Human Rights Policy*, *Regulations on Staff Recruitment and Hiring*, and *Performance Management Standard*, the Company has established comprehensive protocols for its talent acquisition processes. These include conducting thorough compatibility assessments between candidate qualifications and job requirements, ensuring non-discrimination based on gender, education, age, race, family status, religious beliefs, or cultural background. JCET explicitly prohibits child labor, opposes all forms of forced or compulsory labor, and takes a zero-tolerance stance against discrimination, workplace bullying, and harassment. The Company strictly forbids the unauthorized collection of personal information from job applicants and respects employees' rights to freedom of association, collective agreements, and collective bargaining. Through these measures, JCET ensures compliant employment practices and actively promotes fair employment opportunities.

Talent Acquisition

JCET has established a strategic and dynamic talent pool aligned with its development goals and strategic planning. The Company conducts regular talent assessments and updates candidate information to proactively plan talent deployment. Recruitment needs are forecasted based on market trends, leading to the development of diverse recruitment strategies, expansion of talent sourcing channels, and optimization of recruitment methods. Considering the unique conditions, culture, and job characteristics of each plant location, JCET actively recruits suitable talent through various means, including university-enterprise cooperation projects, internship programs, campus recruitment, social recruitment, internal referrals, job competitions, and labor cooperation. Concurrently, JCET leverages information technology for job postings and video interviews, enhancing recruitment efficiency and improving job match accuracy, thus providing robust talent support for the Company's growth.

University-Enterprise Cooperation Projects

- Utilizing the Group's Trainee Development Program, JCET forges long-term, in-depth partnerships with universities. By offering regular training and internship opportunities to students from partner institutions, the Company jointly cultivates outstanding talent. This creates an efficient bridge for talent development and placement, optimizing the Company's talent input channels and building a broad, high-quality talent pipeline. It also fosters deep integration between corporate and educational resources, supporting JCET's sustainable development.

Internship Program

- Primarily targeting exceptional senior university students, this program focuses on front-line positions supplemented by key support roles. It encompasses core areas such as engineering technology processes and product processes, ensuring internship positions closely align with business needs. Through a systematic training approach, the program concentrates on enhancing interns' business compatibility and practical skills, precisely cultivating high-potential reserve talent for the Company.

Campus Recruitment

- During recruitment seasons, JCET advertises job opportunities to universities while organizing concurrent online and offline promotional activities to attract exceptional graduates, injecting fresh energy into the Company's future development.

Social Recruitment

- In line with the Company's business development direction, JCET regularly conducts talent assessments. By extensively covering the social talent market, the Company precisely introduces outstanding professionals with rich experience and specialized skills, swiftly meeting the staffing needs of mid to high-level and key positions. This infuses new ideas and professional strength into teams while effectively optimizing the Company's talent structure and enhancing overall organizational competitiveness.

JCET prioritizes core technologies, business frontiers, and global development needs, clearly defining recruitment targets and standards for high-end talent. Targeted recruitment plans are formulated to strategically position key areas, building professional and internationalized management and technical teams. This strategy provides solid support for addressing industry challenges and achieving innovative breakthroughs, driving the Company towards its long-term strategic goals.

Internal Referrals and Job Competitions

- The Company actively promotes internal referral and job competition mechanisms, encouraging employees to recommend outstanding talent that meets position requirements. An internal referral reward system is established to enhance employees' sense of participation in corporate development. Simultaneously, JCET provides fair and transparent internal job competition opportunities, setting clear processes and standards. This helps employees pursue career development opportunities through their own abilities, achieving efficient matching between positions and internal potential talent, and promoting continuous organizational development.

Labor Cooperation

- Through partnerships with professional labor agencies, JCET swiftly introduces production line personnel meeting job requirements. This strategy alleviates human resource pressure during peak production periods and enhances the stability and operational efficiency of front-line positions.

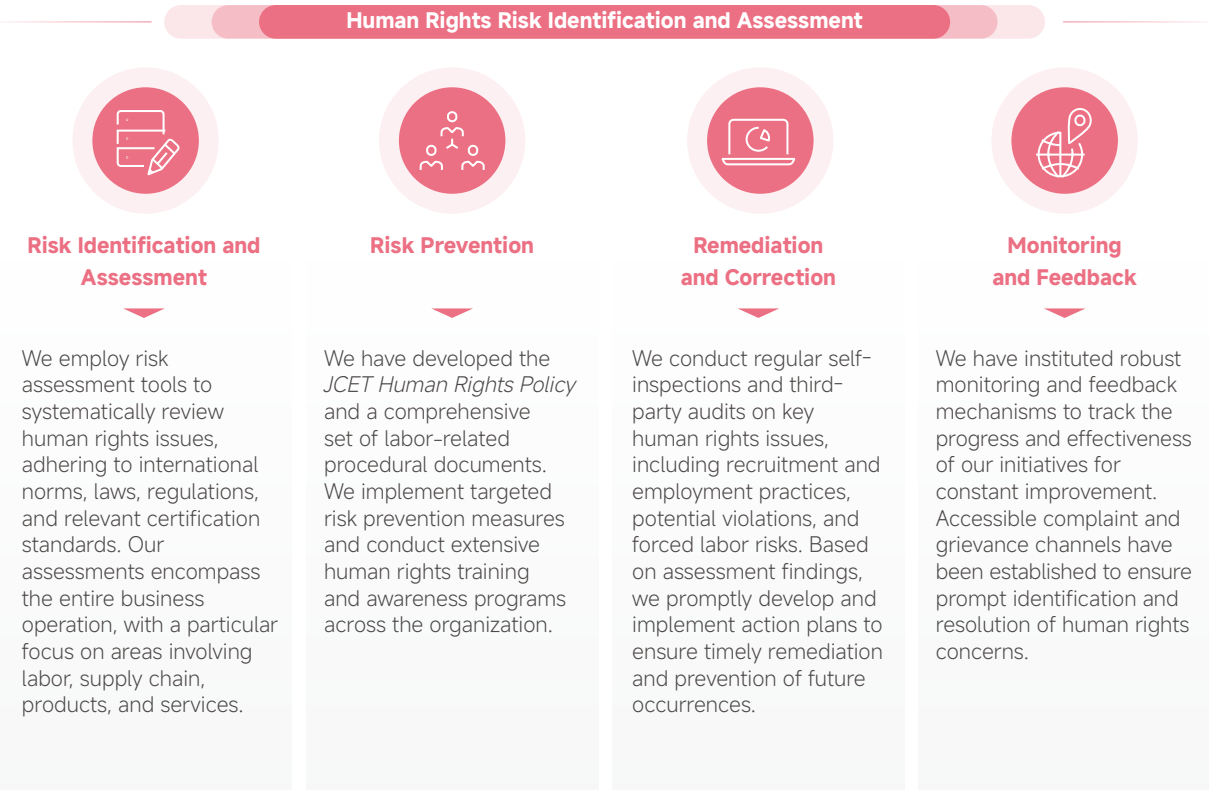
Total number of employees		21,919
Number of employees by gender	Male employees	13,253
	Female employees	8,666
Number of employees by hierarchical level	Management (manager and above)	1,031
	General Staff	20,888
Number of employees by age	Employees aged 30 and below	8,684
	Employees aged 31-40	8,719
	Employees aged 41-50	3,436
	Employees aged over 50	1,080
Number of employees by educational level	Employees with bachelor's degree or above	4,967
	Employees with associate degrees	6,033
	Employees with education below associate degree level	10,919
Number of employees by job function	Production personnel	14,031
	Sales personnel	357
	Technical personnel	6,556
	Finance personnel	126
	Administration personnel	843
	Other personnel	6
Total new hires in 2024		3,887
Number of employees by gender	Male employees	2,813
	Female employees	1,074
Number of employees by age	Employees aged 30 and below	3,011
	Employees aged 31-40	795
	Employees aged 41-50	64
	Employees aged over 50	17
Employee average turnover rate in 2024		18.12%
Employee turnover rate by gender	Male employees	21.96%
	Female employees	12.6%
Employee turnover rate by age	Employees aged 30 and below	36.36%
	Employees aged 31-40	10.68%
	Employees aged 41-50	3.24%
	Employees aged over 50	5.64%

Note: The turnover rate reported this year reflects annual data.

Labor and Human Rights Management

JCET has established and constantly refines its human rights risk assessment and prevention system in accordance with the *Guiding Principles on Business and Human Rights of the United Nations* and the *Responsible Business Alliance Code of Conduct*. We have enhanced our human rights due diligence processes, regularly updated our human rights policies, conducted periodic risk assessments, and implemented training and capacity-building programs. These initiatives effectively mitigate human rights risks and ensure robust protection of labor rights across our core business operations.

Human Rights Due Diligence Management Process



Human Rights Policy Establishment and Improvement

Compliance with the Responsible Business Alliance (RBA) Code of Conduct

Since 2014, JCET has aligned its practices with RBA policies. We have developed and consistently refined internal documents such as the *RBA Management Manual*, *RBA VAP Operation Manual*, and our RBA code of conduct. Our comprehensive suite of RBA labor-related procedures includes the *Child and Minor Worker Protection Management Procedures*, *Prevention of Forced Labor Management Procedures*, *Prohibition of Harassment or Abuse Management Procedures*, *Prohibition of Discrimination Management Procedures*, *Freedom of Association and Collective Bargaining Control Management Procedures*, *Disabled Employee Protection Management Procedures*, and *Employee Complaint Control Management Procedures*. These procedures are rigorously implemented in our daily operations.

For more information, please refer to the *JCET Human Rights Policy*.

Human Rights Risk Assessment

Internal Assessment

To effectively implement human rights policies, the Company has developed an internal RBA system audit checklist, drawing from standards such as the *RBA Code of Conduct*. This checklist is utilized to conduct systematic internal assessments of potential human rights risks on a regular basis. The Company and its plants periodically identify, evaluate, and discuss potential human rights risks using this checklist. Each responsible unit develops and implements mitigation and prevention measures for identified human rights risk issues. In 2024, the Company identified multiple human rights risk issues (detailed in the "Human Rights Risk Prevention" table), which potentially affect both JCET employees and supplier workforce.

External Assessment

The Company regularly undergoes on-site audits conducted by customers, third-party organizations, and certification bodies. It promptly implements improvements based on both internal and external audit findings, consistently enhancing its capability to implement and improve RBA system clauses. As of the end of 2024, six plants have successfully completed the RBA Validated Assessment Program (VAP), with one plant achieving Platinum status, another attaining Gold status, and the remaining four securing Silver status.

Key Performance

- The Company recorded zero complaints related to employee discrimination or harassment during the reporting period.

Training and Capacity Building

The Company regularly conducts training sessions on labor and human rights policies for its employees. These sessions encompass new employee orientation training on labor rights, CSR general knowledge training, and other specialized training programs, all aimed at enhancing employees' awareness and understanding of human rights issues. Furthermore, the Company requires recruitment agencies to comply with legal regulations and JCET's human rights policies, including the *Child and Minor Worker Protection Management Procedures*, *Prevention of Forced Labor Management Procedures*, *Prohibition of Harassment or Abuse Management Procedures*, *Prohibition of Discrimination Management Procedures*, *Freedom of Association and Collective Bargaining Control Management Procedures*, and *Disabled Employee Protection Management Procedures*. This ensures that personnel recruitment and employment processes are carried out in a reasonable and compliant manner. During the reporting period, human rights training coverage reached 100% for new employees and all staff members, including contract employees, labor dispatch workers, and on-site security personnel.

Human Rights Risk Prevention

Focus Areas	Management Approach	Mitigation Measures
Child and Minor Worker Protection	Establish the <i>Child and Minor Worker Protection Management Procedures</i> . Mandate global facilities to comply with local regulations for hiring processes and strictly prohibit the use of child labor.	- Rigorously verify the authenticity of applicants' identities. - Conduct regular reviews and supervision to ensure policy implementation. - Establish reporting mechanisms.

Focus Areas	Management Approach	Mitigation Measures
Prevention of Forced Labor	Implement the <i>Prevention of Forced Labor Management Procedures</i> to strictly prohibit forced labor and closely monitor employee working hours.	- Ensure employees have the freedom to enter into and terminate labor contracts. - Forecast and develop effective recruitment plans based on business development to ensure adequate staff reserve. - Strengthen communication with employees to ensure all work is voluntary. - Establish working hour management and tracking mechanisms, regularly analyze and audit working hours, and enhance early warning systems.
Non-discrimination	Institute the <i>Prohibition of Discrimination Management Procedures</i> to protect employees from illegal discrimination.	- Prohibit discriminatory clauses in recruitment advertisements. - Prevent illegal refusal of employment based on gender, age, race, or other diverse background factors. - Provide reasonable special protections for vulnerable labor groups.
Prohibition of Harassment or Abuse	Formulate the <i>Prohibition of Harassment or Abuse Management Procedures</i> to protect employees from harassment and abuse.	- Conduct workplace harassment and sexual harassment prevention education for all employees. - Enforce disciplinary actions and reporting for harassment or abuse incidents as per regulations. - Provide protection, placement, and assistance measures for incident victims.
Protection of Female Employees	Establish the <i>Female Employee Protection Management Procedures</i> to safeguard women's rights.	- Ensure equal pay and promotion opportunities for female employees. - Provide special rights and safe, friendly work environments during pregnancy and breastfeeding periods. - Set up confidential complaint channels and strengthen psychological support and rights consultation services. - Conduct anti-gender discrimination training and promote female leadership and career development.
Protection of Disabled Employees	Implement the <i>Disabled Employee Protection Management Procedures</i> to protect the rights of disabled employees.	- Provide barrier-free environments and reasonable accommodations. - Ensure fair compensation, promotion opportunities, and flexible work arrangements. - Establish confidential complaint channels and strengthen anti-discrimination awareness training. - Offer vocational training and development support to help employees realize their potential.
Freedom of Association and Collective Bargaining Control	Establish the <i>Freedom of Association and Collective Bargaining Control Management Procedures</i> to create a work environment that encourages free expression.	- Respect religious freedom and standardize the application process for employee religious venues. - Ensure all employees have the right to freely join or form unions and participate in collective bargaining. - Refrain from interfering with, discriminating against, or punishing any employees, organizations, or unions exercising their rights to freedom of association. In 2024, the union membership rate among domestic employees reached 100%.
Health and Safety	Formulate occupational health and safety management system and corresponding safety operation procedures and methods to create a safe and healthy workplace.	- Conduct regular inspections and risk assessments to address safety hazards. - Provide protective equipment and health check-ups, and improve working conditions. - Promote safety culture development and regularly conduct safety and health training and occupational health examinations. - Establish accident reporting and feedback mechanisms to address safety issues promptly.

Diversity and Equal Opportunity

Fostering a diverse and inclusive corporate culture is the cornerstone of JCET's high-quality development and sustainable growth. The Company integrates Diversity, Equity, and Inclusion (DEI) principles into its operations, ensuring fairness and equity in recruitment, compensation & incentives, training, and promotion processes. Regular diversity training sessions are conducted for all employees to enhance their awareness of diversity issues. The aim is to cultivate a diverse, inclusive, and open work environment for the entire workforce. The Company consistently monitors the progress of DEI initiatives and reports to the Sustainable Development Committee, ensuring that all employees, irrespective of age, gender, ethnicity, nationality, or religious beliefs, receive equitable treatment, respect, and dignity. Throughout the reporting period, JCET did not receive any complaints related to discrimination or harassment.

With regard to female employees, the Company is dedicated to providing equal career development opportunities, ensuring fair compensation and benefits, and effectively eliminating gender-based pay gaps. JCET actively offers equivalent training and promotion opportunities for female employees, supporting and nurturing their diverse skill sets, and encouraging them to assume management positions. This approach aims to break through career limitations and ensure greater participation and growth opportunities across various functional and management areas. Moreover, the Company prioritizes women's reproductive health by offering commercial maternity insurance and providing prenatal check-up leave, maternity leave, breastfeeding leave, and parental leave. Male employees are granted statutory paternity leave (care leave) to promote shared family responsibilities, thereby creating a more secure and stable work environment for female employees and supporting their long-term career development.

To facilitate a smooth return to work for female employees after childbirth, the Company has established dedicated Carnation Service Stations, priority parking spaces, reserved seats on company shuttles, and special dining chairs for expectant mothers. Flexible measures are implemented in attendance and work arrangements during pregnancy and postpartum periods, such as allowing one hour daily for breastfeeding and one hour for rest breaks, fully supporting female employees' career advancement and personal growth.

Case | Carnation Service Station: A Dedicated Haven for Female Employees

The Carnation Service Station serves as a welcoming sanctuary specifically designed for female employees. With the mission of "listening to female employees' voices and safeguarding their rights," the station comprises a psychological counseling room (relaxation area), a mother-baby room (rest and nursing area), a parent-child station (interactive area), a women's volunteer service station (consultation service area), and a women's lecture hall (quality improvement area). It is staffed by a volunteer service expert team consisting of professional psychological counselors, maternal and child health physicians, and pro bono lawyers, dedicated to providing thoughtful services and support for female employees. Furthermore, the service station actively organizes training and exchange activities to help female employees enhance their professional skills and broaden their career development paths.



Carnation Service Station



Key Performance

Employee labor contract signing rate

100%

Social insurance coverage rate

100%

Number of ethnic minority employees

341

Percentage of women in reserve management talent pool

23.4%

Percentage of women in middle and senior management

19.4%

Percentage of women in STEM positions

24.8%

Return-to-work rate after parental leave

100%

Employee Engagement and Communication

The Company actively cultivates positive and harmonious employee relations by establishing an open, mutually trusting, and transparent communication environment that enables employees to stay informed about company developments in real-time. JCET encourages employees to demonstrate a sense of ownership by seriously and responsibly offering constructive suggestions while also actively addressing reasonable complaints from employees, thereby facilitating continuous improvement in its operations.

Two-Way Communication Exchange

JCET is dedicated to fostering a diverse, open, transparent, and accessible communication platform for its employees. This is primarily achieved through in-person meetings, development of information platforms, and surveys and interviews. These efforts build bridges for communication between labor and management, effectively promoting mutual trust and a win-win harmonious labor relationship. Through these diverse communication channels, the Company can promptly and accurately disseminate information and announcements to employees. Simultaneously, employees can provide feedback and suggestions to relevant departments, which are responsible for receiving, processing, and following up on these inputs, ensuring efficient problem resolution.

In-Person Meetings	Global Communication Sessions with the CEO	Primarily share company updates and address employee concerns, combining online and offline formats.	Quarterly
	Employee Discussions & Employee Representative Meetings	Collect and summarize employee proposals for management improvement through employee representative meetings, employee tea parties, quarterly communication meetings for recent graduates, etc.	Quarterly Annually
Information Platforms	Bulletin Boards, Information Displays, Company Website, and WeChat Official Account	Publicize company policies, performance metrics, activities, and recognition of outstanding employees.	Daily
	JCET Journal	Promote corporate culture and values, sharing important company initiatives and latest information through this internal electronic publication.	Monthly
Surveys and Interviews	Leadership Visits	Implement management by walking around, with leadership frequently visiting frontline employees for face-to-face communication.	Daily
	Performance Interviews	Aligning with the semi-annual performance evaluation process, supervisors regularly meet with employees to discuss work performance and career development, offering proper support.	Semi-annually
	Employee Voice Surveys & Focus Group Discussions	Conduct targeted investigations on issues commonly raised by employees. Utilize focus group discussions for in-depth exploration, forming concrete improvement plans.	Daily

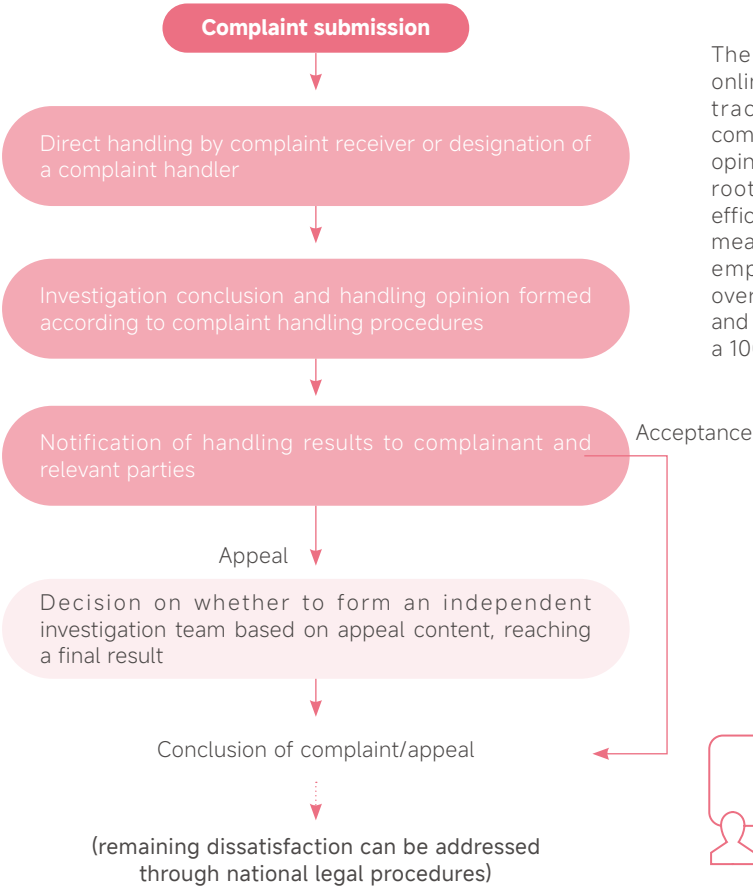
Employee Feedback and Grievance Mechanisms

JCET places high value on employee opinions and rights, providing accessible, diverse, and confidential feedback and grievance channels. The Company constantly refines its reporting mechanisms and handling processes, establishing internal audit-specific complaint mechanisms and the *Employee Complaint Control Management Procedures*. Dedicated personnel are assigned to handle and process appeals and reports, ensuring all employees understand the feedback channels and grievance mechanisms, facilitating timely responses and effective problem-solving. In situations where normal channels cannot be used due to special circumstances, employees are encouraged to promptly report to their supervisors or the HR department. All reported matters adhere to principles of authenticity, confidentiality, and effectiveness, ensuring independent investigations, taking necessary measures to protect the legitimate rights of good-faith whistleblowers, preventing retaliation, and implementing appropriate follow-up actions.

 Telephone	Receive employee feedback and grievances through the union hotline and complaint hotline. Conduct timely investigations and implement solutions.	Daily
 Email	Connect the General Manager's mailbox and dedicated reporting/appeal mailbox to the audit department to specifically receive employee complaints or reports.	Daily

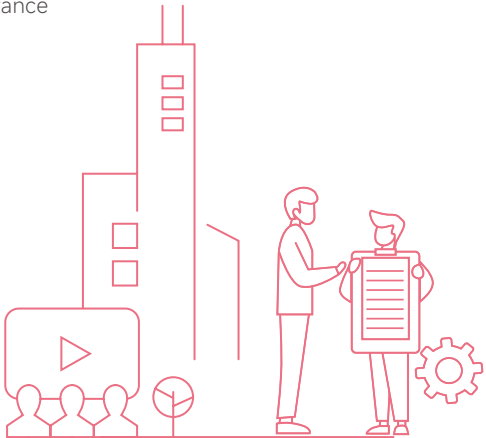
Furthermore, JCET has formulated and consistently improves its management measures for rational suggestions, encouraging employees to actively offer ideas and suggestions. The Company has also established a performance appeal management process, creating smooth feedback and appeal channels. For employee questions or dissatisfaction with performance evaluation results, the Company actively listens to opinions and makes improvements, constantly optimizing relevant communication and management mechanisms.

Employee Feedback and Grievance Process



Employee Satisfaction Survey

The Company conducts a biennial anonymous online employee satisfaction survey, constantly tracking and analyzing the results to gain comprehensive insights into employee needs and opinions. Through extensive feedback collection, root cause analysis, and the formulation and efficient implementation of practical improvement measures, the Company consistently enhances employee experience and steadily increases overall satisfaction. In 2024, all reported cases and appeals were successfully resolved, achieving a 100% closure rate.



Attentive Employee Care

JCET upholds a people-centric philosophy, placing high priority on employees' physical and mental well-being and work-life balance. Through the establishment of a robust welfare system, the Company provides comprehensive, tailored care for diverse employee groups, effectively addressing their varied needs. Furthermore, the Company proactively organizes a wide array of competitions and activities, fostering a warm and dynamic corporate culture that significantly boosts employees' sense of belonging and contentment. This facilitates employees' personal growth while promoting mutual development and progress between staff and the organization.



Care for Female Employees

The Company ensures female employees fully benefit from all maternity policies and provides dedicated facilities such as nursing rooms, priority parking spaces, reserved seats on company shuttles, and special dining chairs for expectant mothers. Additional support includes psychological counseling, health seminars, parent-child activities, extended learning resources, and legal rights advocacy programs.



Support for Employees Facing Hardship

The Company offers quarterly and annual financial assistance to employees with serious illnesses and provides support to staff or their families encountering sudden emergencies. Additionally, the Company invests in supplementary medical mutual aid funds through the labor union to mitigate the financial burden on employees facing health issues.



Care for Retired Employees

The Company distributes consolation funds to retired employees during the Spring Festival and Double Ninth Festival. During the latter, retired employee representatives are invited back for company tours and participatory discussions.



Enhancement of Work and Living Environments

In response to employee feedback, the Company undertakes renovations of staff cafeterias, dormitories, plant roads, and residential landscapes to create more conducive environments for both work and daily life.



Seasonal Care Initiatives

During the Spring Festival, the Company conducts visits to employees facing difficulties and those remaining at work, offering financial support, gifts, and festive greetings. In summer, the Company provides comfort to employees working in high-temperature conditions, supplying them with mosquito repellents, toiletries, and other heat-relief items.

JCET actively encourages employees to form various interest groups such as badminton, yoga, and basketball clubs. The Company also organizes a diverse range of cultural and sporting events for employees and their families, promoting holistic well-being.

"Enduring Love" Voice of JCET Season IX

The 2024 Voice of JCET highlighted the Company's philanthropic initiatives, showcasing employees' compassionate stories through musical theater. This event not only enriched employees' cultural experiences but also demonstrated the Company's dedication to social responsibility and humanitarian care.



"Enduring Love" Voice of JCET Season IX

"Inspiring Youth, Soaring Dreams" JCET 8th Cultural and Arts Festival

Held in the autumn of 2024, this festival encompassed a wide array of activities including a reading marathon, fun sports meet, table tennis tournament, basketball competition, and football match. These events provided employees with opportunities for relaxation and enjoyment while showcasing the vibrant spirit of JCET's workforce, inspiring all staff to strive for continuous improvement and excellence in their professional endeavors.



"Inspiring Youth, Soaring Dreams" 8th Cultural and Arts Festival - Fun Team Collaboration Competition



"Inspiring Youth, Soaring Dreams" 8th Cultural and Arts Festival - Football Match

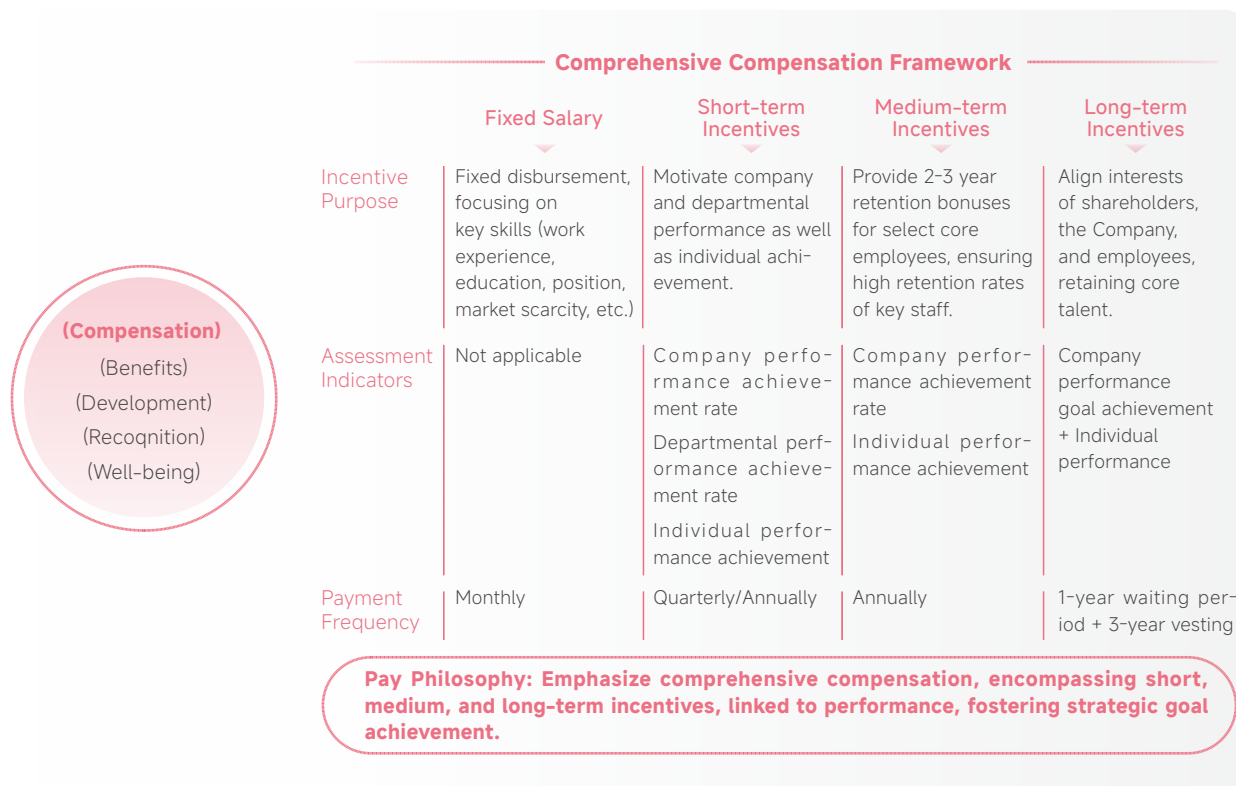


"Inspiring Youth, Soaring Dreams" 8th Cultural and Arts Festival - Reading Marathon

Compensation and Incentives

JCET has developed a comprehensive compensation structure and a scientific remuneration system, adhering to a performance-centered approach. The Company ensures fair pay based on factors such as job position, performance, and capabilities, offering employees competitive salaries and benefits in the market. Concurrently, JCET consistently enhances its employee welfare system, providing various benefits and improving employee experience and satisfaction through diverse incentive programs and staff activities, thus retaining talent through a caring approach.

Scientific Compensation Structure



JCET adopts a comprehensive compensation concept, implementing a holistic model that incorporates five key elements: compensation, benefits, development, recognition, and well-being. While considering external market salary levels, the Company establishes a compensation and incentive system that balances external competitiveness and internal fairness, consistently refining internal policies such as the *Compensation and Benefits Management Procedures*.

The Company thoroughly evaluates various factors including financial performance, operational efficiency, and future growth prospects to scientifically assess employees' job responsibilities and contributions. This evaluation forms the foundation for a performance-oriented compensation system, complemented by short, medium, and long-term incentive plans to ensure all employees' remuneration aligns with their work output.

The Company focuses on overall employee compensation, implementing a comprehensive framework that encompasses fixed salary and short, medium, and long-term incentives, ensuring both internal equity and external competitiveness in total remuneration. Fixed salary is disbursed monthly based on a predetermined amount, primarily considering employees' key skills, including work experience, education, position, and market scarcity. Short-term incentives comprise quarterly performance bonuses and annual bonuses, designed to drive company and departmental performance as well as individual achievement. Medium-term incentives, such as retention bonuses, target core employees, while long-term incentives cover executives and key staff, aiming to align the interests of shareholders, the Company, and employees while retaining core talent. With the exception of fixed salary, all short, medium, and long-term incentives are variable bonuses closely tied to company performance, organizational achievements, and individual performance. This mechanism allows for dynamic adjustment of employee income based on actual performance, effectively enhancing employee satisfaction and productivity while reducing turnover rates among core staff.

The Company conducts annual monitoring and assessment of market salary levels and yearly pay increases, reviewing employees' total cash income. Combining this with company performance, JCET determines salary adjustment budgets and guiding principles, ultimately implementing employee compensation adjustments. Through regular salary reviews, the Company aims to ensure employee compensation adapts to regional economic changes, maintains external competitiveness, and closely aligns with overall company performance and individual achievements, maintaining internal fairness. This approach serves to attract and retain key personnel in critical and strategic positions. In 2024, JCET strived to ensure all employees, particularly those in non-sales functions, received compensation commensurate with their work output.

Furthermore, the Company has established a performance reward recall and adjustment mechanism, dynamically modifying bonus distribution based on employees' actual performance to ensure the precision and fairness of incentives, guaranteeing that compensation incentives accurately reflect employee contributions.

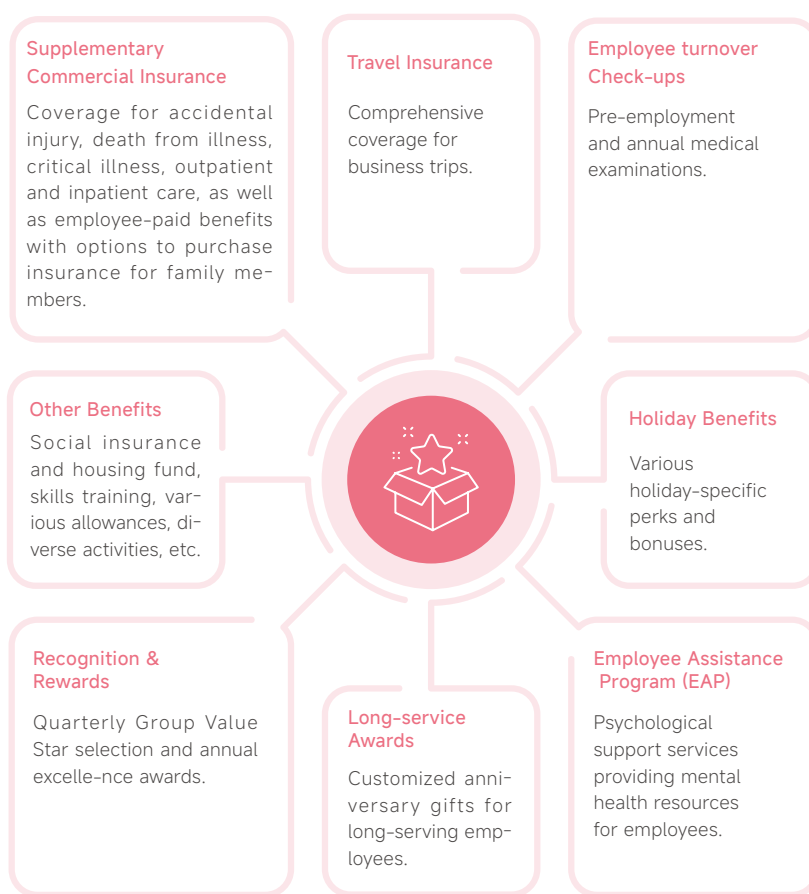
Case | Long-term Retention Bonus Plan

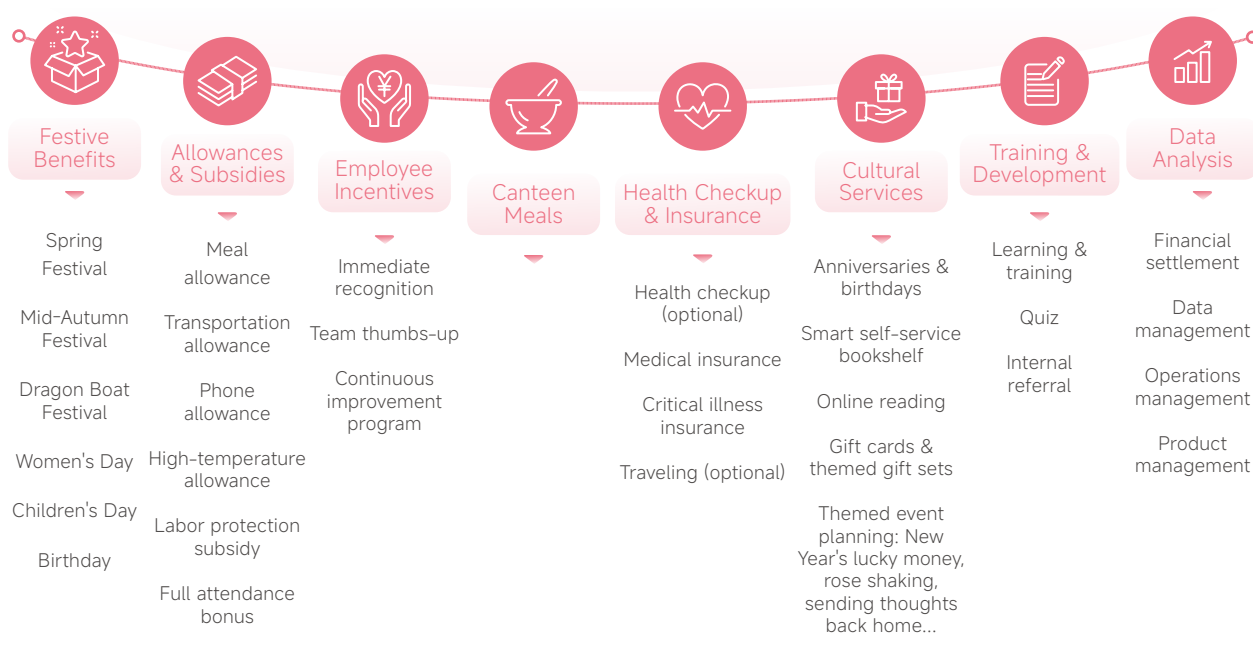
JCET has implemented a 2-3 year long-term retention bonus plan for core talent and high-potential employees, primarily through equity incentives and long-term retention bonuses to further enhance core talent retention. This plan spans 2023 and 2024, with incentive distribution closely linked to the Company's overall performance and the participants' individual performance evaluations. Driven by this multi-layered incentive mechanism, during the reporting period, the Company achieved an impressive 96% retention rate for core talent, demonstrating significant success in talent retention.

Welfare Assurance

JCET provides employees with statutory benefits in compliance with legal requirements, including social insurance and housing fund contributions, paid annual leave, and parental leave. Furthermore, the Company offers comprehensive protection for employees through supplementary commercial insurance, travel insurance, regular health check-ups, an Employee Assistance Program (EAP), holiday benefits, long-service awards, and recognition incentives. The Company also enhances employee experience and well-being through various incentive programs and staff activities.

Moreover, JCET has actively developed a comprehensive and flexible digital employee service platform. By implementing the Human Resource Information System (HRIS) project, the Company has launched a dedicated JCET employee applet. This applet integrates modules for onboarding and offboarding processes, self-service attendance management, and training and development programs. It not only improves the convenience and efficiency of employee affairs management but also provides a one-stop digital service experience, supporting overall work performance and career development.





Employee Performance Evaluation and Feedback

JCET regularly conducts performance evaluations, having established the *Performance Management Standard* that adheres to the principles of fairness, openness, and equity. The Company carries out annual performance appraisals at the company, department, and individual levels. Overall performance objectives are cascaded to various business divisions, plants, departments, and specific positions, ensuring that each team and employee has clear goals and responsibilities, enabling efficient task completion. For employees at different levels and in various roles, the Company employs a combination of qualitative and quantitative methods to comprehensively evaluate key performance indicators and work objectives, linking individual performance achievement to personal bonus coefficients. Through scientific guidance, timely supervision, and objective measurement, the Company comprehensively and fairly assesses employee performance.

JCET has established open channels for performance communication, actively soliciting employee feedback and fostering timely coaching and communication between supervisors and subordinates. This helps employees and the organization improve performance and achieve goals.

Performance Appeal and Feedback Process

Performance Tracking and Feedback: Direct managers should conduct performance dialogues based on the final calibrated scores, providing regular and ad-hoc feedback to employees. This process aims to reach a consensus on goal achievement and address any deviations. If employees have no objections to the final assessment, they should confirm it in the system within three working days. If employees disagree with the final results, direct managers should communicate with them, explaining the relevant assessment criteria and rationale. If an agreement cannot be reached after discussion, the matter can be addressed through the appeal process.

Appeals and Handling: Employees who object to their assessment results should submit a written appeal application within five working days of receiving the results. Late applications will not be considered. The appeal process is as follows: The appellant submits an application to a person above the department head level. If no agreement can be reached, they may further appeal to the local human resources department. Each appeal should be concluded within ten working days.

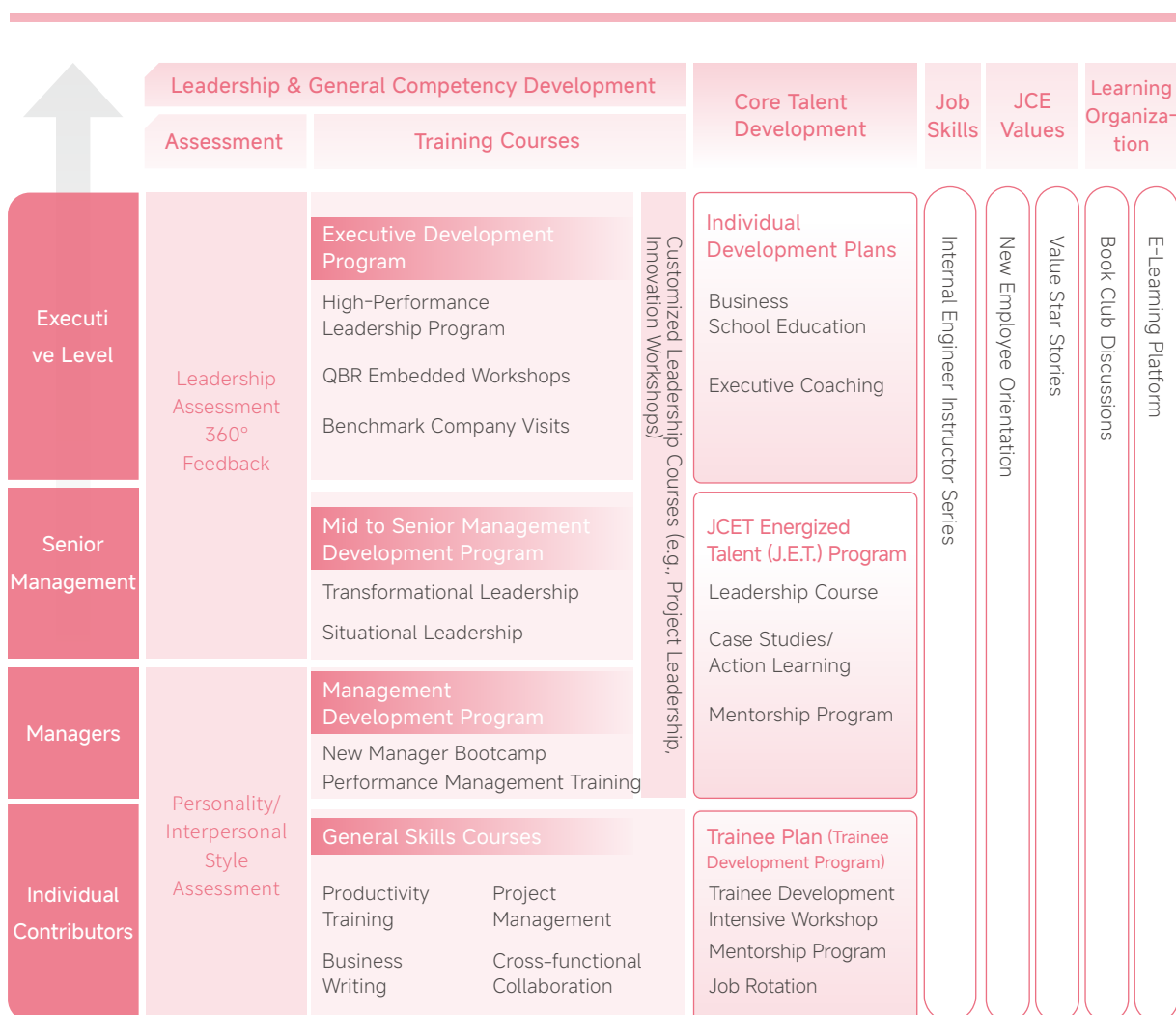
Talent Development

JCET is dedicated to empowering employees to maximize their abilities, unlock their potential, and activate their latent talents. Through continuous enhancement of its training system, optimization of training models, and development of training resources, the Company creates clear pathways for employee career advancement, fostering a symbiotic relationship between individual employee success and enterprise growth.

JCET offers comprehensive and systematic training programs tailored to various developmental stages and job requirements, encompassing areas such as leadership enhancement, core skill cultivation, and general competency development. The Company has established an e-Learning platform featuring over 2,200 internal and external courses, facilitating self-directed learning opportunities for employees.

To ensure the efficacy of its diverse training programs, the Company has implemented a multifaceted evaluation and feedback mechanism for each course. JCET has formulated the *Training Management Standard* and conducts annual comprehensive assessments of employees' learning and training progress. The Company also employs a mentoring system, where mentors provide timely guidance and evaluative feedback to employees, fostering the development of a learning organization and contributing to the Company's long-term sustainable growth.

Based on the developmental needs of employees at different levels and the enhancement of core talent capabilities, the Company offers targeted development programs such as the JCET Energized Talent (J.E.T.) Program, the JCET Excellent Engineer Program (EEP), and the Trainee Development Program, ensuring the comprehensive development of key position talents. Through regularly organized offline sharing and exchange activities like book clubs, combined with the e-Learning online self-study platform, the Company consistently improves employees' learning abilities and organizational competitiveness, facilitating rapid employee growth and development.





Key Performance

Total investment in employee training

RMB **1.654** million

Total participants in training throughout the year

26,074

Total employee training hours

1,357,060 hours

Annual training hours per employee

52 hours

Training coverage rate

100%

Percentage of trained employees by gender

Training coverage rate for male employees

100%

Training coverage rate for female employees

100%

Average training hours per employee by gender

Average training hours per male employee

57 hours

Average training hours per female employee

44 hours

Percentage of trained employees by employee category

Training coverage rate for middle and senior management employees

100%

Training coverage rate for frontline employees

100%

Average training hours per employee by employee category

Average training hours per middle and senior management employee

35 hours

Average training hours per frontline employee

53 hours

New Employee Onboarding

In 2024, JCET designed a diverse curriculum for new employees, introducing the Company's developmental history, achievements, and product production processes. This helped trainees gain a thorough understanding of the Company's background and core business operations. To further enhance new employees' industry knowledge, the training program also covered the evolution and future trends of the packaging and testing industry. Additionally, the courses provided in-depth explanations of the Objectives and Key Results (OKR) performance management framework, ensuring new employees clearly understand goal-setting and performance evaluation methodologies. The training offered specific guidance on policies, processes, and common issues related to new employee onboarding, facilitating a smooth transition into the work environment. Furthermore, through the examination of real-world case studies and compliance policies, the courses enabled new employees to enhance their business skills while strengthening their awareness of compliance issues, laying a solid foundation for their future roles within the organization.

Leadership and General Competency Development Courses

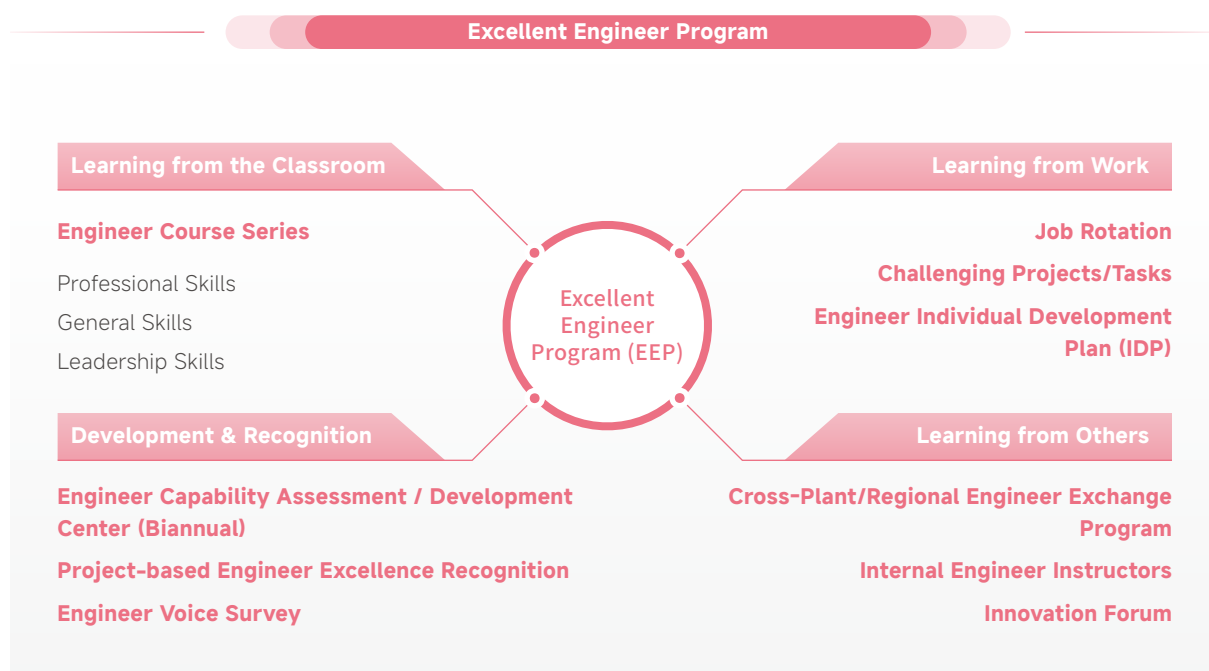
JCET implements targeted development programs for managers across various levels. For executives, the focus is on high-performance leadership development programs, designed to enhance strategic leadership and organizational management capabilities. Middle management personnel enhanced their strategic execution and implementation capabilities through the JCET Energized Talent (J.E.T.) Program. Concurrently, junior management personnel developed crucial team leadership skills through targeted courses, such as the new manager program. The Trainee Development Program accelerates the development of high-potential early-career talent through specialized intensive training, mentorship programs, and rotation planning, contributing to the Company's talent pipeline. This systematic, multi-tiered cultivation system comprehensively supports employee career development and improves organizational effectiveness.

Case | High-Potential Leadership Training

In 2023, JCET launched the JCET Energized Talent (J.E.T.) Program, which continues to run. The first cohort in China included 25 core middle-level management cadres, while the first overseas cohort comprised 28 core middle-level management cadres, totaling 53 participants.

Job Skills Training

In 2024, JCET introduced the Excellent Engineer Program (EEP), a technical sequence development project. This program centers on four key areas: Learning from Work, Learning from Others, Learning from the Classroom, and Development & Recognition. It aims to foster the comprehensive development of the Company's technical engineers through systematic training, capability assessment, and career development opportunities, cultivating a team of excellent engineers characterized by continuous learning, bold innovation, and efficient collaboration.



To enhance engineers' career planning awareness and capabilities, JCET organized 179 "Career Development for Excellent Engineers" workshops in the fourth quarter of 2024, attended by over 650 engineers and technical R&D engineers. These workshops focused on career planning concepts based on capability development and provided comprehensive explanations of the Company's individual development plan setting process and associated tools. This initiative helped engineers clarify their career positioning and define personal development goals, providing robust support for their professional growth.

External Institution Collaboration

JCET actively creates opportunities for employees to access high-quality external educational resources, introducing professional training programs to help employees deepen their expertise in their respective fields. In 2024, the Company collaborated with multiple external institutions to tailor diverse training programs, precisely addressing the learning needs of different employee groups and providing strong support for their growth and professional development.

JCET partnered with the internationally renowned Oxford Leadership Academy to introduce the "High-Performance Leadership" program. Based on this program, the management team jointly established the JCET Leadership Principles.



The Company collaborated with external professional institutions to customize the Trainee Development Program series courses. These courses cover various aspects, including workplace entry guidance, problem-solving thinking, project management practices, and business presentation skills. They help trainees comprehensively improve their workplace adaptability, practical problem-solving abilities, and efficient communication and collaboration skills, laying a solid foundation for their career development.



2024 JCET Trainee
Development Camp

From July to August 2024, JCET cooperated with Bestway Enterprise Management Consulting Co., Ltd. to deliver a customized course series titled "Effective Co-communication and Conflict Management", specifically designed for engineers. Nearly 150 engineers participated in the program. Through these courses, participants thoroughly explored the role positioning of customer engineering and customer quality engineering teams in customer communication scenarios. They systematically learned effective communication techniques and strategies for resolving conflicts, establishing a robust foundation for enhancing customer collaboration capabilities.



"Effective Communication
and Conflict Management"
Course Series

Career Development

JCET embraces an open talent development philosophy that promotes both vertical and horizontal mobility, as well as inflow and outflow of talent, actively building a sustainable talent pipeline. The Company has developed a competency model and established talent standards based on job responsibilities, internal strategic planning, and industry trends in talent demand. This model clearly defines key capability indicators required for each position. JCET regularly conducts talent reviews using a nine-box grid tool to comprehensively assess and systematically evaluate core positions and talent. This process provides a thorough understanding of core talents' abilities, performance, and potential, ensuring optimal job-person matches and enhancing the overall value of the Company's teams. In 2024, the talent review process examined 1,024 core positions, identified 383 high-potential individuals, and discussed succession plans for 201 key management positions, analyzing talent density.

Leveraging the competency model and considering development needs and business characteristics, JCET employs the Mercer international job value evaluation system to measure the importance of various positions. The Company has established clear career development paths across five major functional areas: management, technical, marketing and sales, functional support, and operations, providing employees with transparent growth trajectories.

Building upon the aforementioned five-tier ranking system, JCET has implemented dual promotion channels for technical and managerial roles. These parallel tracks are interconnected, offering comprehensive career development pathways and providing equitable promotion opportunities and flexible development spaces for both technical and management talents. Employees can either specialize within a single track or transition laterally between different functional areas. Within certain rank ranges, they can also switch between professional technical and management tracks, fully leveraging their strengths and expertise.

Occupational Health and Safety

JCET rigorously adheres to relevant laws and regulations, including the *Law of the People's Republic of China on Work Safety*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the *Regulations on the Safe Management of Hazardous Chemicals*, and the *Provisions on the Supervision and Administration of Occupational Health at Work Sites*. The Company also complies with ISO 45001 management system standards and RBA guidelines, consistently enhancing its safety and health regulations. JCET has established a hierarchical safety risk control system and a comprehensive hazard identification and prevention mechanism. The Company conducts daily supervision and inspections, implementing robust risk control measures. These efforts encompass all employees and contractors, addressing critical areas such as production safety, fire safety, occupational health, natural disaster response, and hazardous chemical management. By prioritizing health and safety in its operations, JCET ensures a safe and healthy work environment for all its employees.



Key Performance

- All 8 JCET plants worldwide have achieved the ISO 45001 Occupational Health and Safety Management System certification.

Safety Production Responsibility System

The Company implements a clear delineation of responsibilities across all organizational units, promoting occupational health and safety at every level. A comprehensive safety management structure is in place, with the CEO as the primary responsible person and the Vice President of Safety and Environmental Protection as the direct overseer, encompassing all plants. This framework clarifies safety production responsibilities for all employees, with each tier signing a *Letter of Responsibility for Safety Production* to cascade the Company's occupational health and safety objectives.

Establishing Management Systems

The Company has developed and constantly refines various safety management and occupational health-related policies, including the *Occupational Health Management System*, *Safety Production Management System*, and *Fire Safety Management System*. Furthermore, it has implemented multiple safety production process standards such as the *Safety Production Investment Assurance Specification*, and compiled the *Integrated Circuit Occupational Health and Safety Management Manual* to enhance workplace safety protocols and foster a high-quality, healthy, and safe work environment for all employees.

Setting Annual Objectives

All plants have established "zero-accident" occupational health and safety goals across three critical areas: production safety, occupational disease prevention and control, and public health. To ensure achievement, these goals are broken down into specific objectives covering all business processes. The Company identifies unacceptable risks and develops targeted management plans to ensure thorough implementation of preventive measures, thereby strengthening the foundation of occupational health and safety management. Each plant conducts annual internal audits, management reviews, and external audits of the ISO 45001 management system to maintain continuous compliance with standard requirements.

Addressing Safety Risks

Each plant has formulated the *Procedures for Identifying Hazards and Evaluating Risks and Opportunities* and the *Risk and Opportunity Response Procedures*, standardizing the process of hazard identification and evaluation. These procedures clearly define operational requirements, including risk avoidance, risk reduction, and risk acceptance measures, ensuring comprehensive coverage of safety risk management in business processes. They also provide operational guidance for integrating these measures into environmental and occupational health and safety management systems, thereby enhancing overall risk resilience.

Conducting Emergency Drills

To prepare for potential emergencies in daily operations and life, each plant has developed comprehensive emergency plans covering fire incidents, occupational health and safety events, confined space work safety incidents, natural disasters, and public health events. A systematic emergency drill procedure document has been established, detailing response plans for various event types. This encompasses full-process management from emergency preparation and response to drills and post-event analysis, ensuring 100% implementation and coverage for all employees.

Plants regularly organize diverse emergency drills, including natural disaster response, special equipment accident rescue, confined space operation emergency rescue, and hazardous chemical spill response simulations. These realistic emergency scenarios help to constantly optimize response measures and improve overall emergency management capabilities. Concurrently, the Company has established a Business Continuity Management (BCM) system, with dedicated sections to analyze issues identified during drills, conduct systematic evaluations, and develop improvement measures. This consistently enhances the Company's ability to respond to emergencies and improves overall business resilience.

Case | AED Deployment and First Aid Training: Advancing Health Management to Safeguard Employee Safety

To enhance employee health management, JCET has proactively implemented health management measures across its plants in China. These initiatives include deploying Automated External Defibrillators (AEDs), installing rest areas with seating for work breaks, and implementing stricter controls on employees' consumption of high-sugar beverages. During the reporting period, 31 AEDs were installed across various plants, and five specialized AED use and first aid training sessions were organized, with 350 participants in total.

Through these AED use and first aid training sessions, employees not only mastered the correct usage of the equipment but also significantly improved their ability to respond to emergencies with self-rescue and mutual aid skills. This training empowers them to potentially save lives by correctly using AEDs in critical situations. Additionally, the training further enhanced employees' safety awareness and health management knowledge, fostering a safer and healthier work environment.



AED deployment



AED use and first aid training

Cultivating a Safety Culture

Plants implement comprehensive safety education programs for new employees, including three-tier safety training and workshop/team-level safety education for reassigned or returning personnel. Specialized training is provided for employees in high-risk positions, including safety management staff. The organization conducts Safety Culture Week and Safety Production Month activities, while also participating in government-organized online and in-person safety lectures and training events. The content from these sessions is disseminated to all relevant departments, reinforcing employees' awareness of occupational health and safety, and fostering a people-centric safety culture.

Occupational Disease Prevention

For employees exposed to occupational hazards such as noise, X-rays, or hazardous chemicals, plants conduct pre-employment, ongoing, and post-employment occupational health examinations. Safety training is provided before and during employment, along with personal protective equipment and emergency supplies. Workplaces are equipped with safety protection facilities and undergo regular environmental monitoring. Periodic emergency drills for occupational disease prevention, including protocols for acute exposure to strong acids and bases, are conducted to safeguard employees' health.

Safety Assessment and Incentives

The Company annually issues comprehensive *Safety Production Work Assessment Guidelines*. External experts are invited to collaborate with internal personnel in conducting thorough safety production assessments at each plant. In accordance with the *Regulations on Safety Production Rewards/Penalties and Accountability*, departments that achieve exceptional results in safety production activities and meet assessment standards are rewarded. Individuals who propose valuable suggestions for preventing personal injuries, improving working conditions, or demonstrating outstanding performance in safety production work are also recognized. Conversely, accountability measures are enforced for violations of national safety production laws and regulations, internal safety policies, failure to rectify or inadequately address safety hazards, and unauthorized operation of specialized equipment by uncertified personnel.

Contractor Safety Program

The Company executes safety management agreements with on-site construction contractors. Regular inspections are conducted to ensure compliance with these agreements. Penalties, including financial deductions, are imposed for non-compliance with safety requirements. In 2024, the Company's contractor safety training recorded 7,662 attendances.

Indicator	Unit	2024	2023	2022
Number of work-related fatalities	persons	0	0	0
Days lost due to work injuries	days	372	503	583
Number of injuries with serious consequences	persons	0	0	0
Rate of injuries with serious consequences	%	0	0	0
Number of recordable work injuries	persons	15	18	18
Total Recordable Incident Rate (TRIR) per million work hours	/	0.1986	0.4542	0.4470
Lost Time Injury Frequency Rate (LTIFR) ² per million work hours	/	4.93	7.72	6.66
Number of safety drills	/	94	103	69
Number of safety training sessions	/	502	436	284
Employee participation in safety training	attendance	37,244	20,666	24,307
Coverage rate of employee safety training	%	100	100	100

Notes: 1. Total Recordable Incident Rate (TRIR) is calculated as: (Number of work-related injuries × 1,000,000) / Total actual working hours. This metric excludes employee personal commuting traffic accidents.

2. Lost Time Injury Frequency Rate (LTIFR) is determined by: (Total days lost due to work-related injuries × 1,000,000) / Total actual working hours.

Chemical Safety

JCET strictly adheres to chemical safety laws and regulations in its domestic and international operations, guided by the ISO 45001 Occupational Health and Safety Management System and the RBA Code of Conduct. Embracing a management philosophy of continuous improvement in health and safety performance, the Company implements rigorous management of chemical use throughout the entire product lifecycle. To enhance management, each plant has established comprehensive policies including the *Technical Instruction for Chemical Safety*, *Environmental Material Management Manual*, and *Occupational Health and Safety Management Manual*. Furthermore, detailed process standards such as the *Hazardous Chemical Management Procedure* and *Precursor Chemicals and Explosives Management Standard* have been developed. These measures enable tiered control of chemical substances involved in all aspects of production, from raw materials and components to finished goods. The Company conducts annual comprehensive hazard identification, complemented by regular specialized inspections in accordance with safety production management systems. These efforts are aimed at minimizing the impact of chemicals on occupational health, safety, and the environment.

01 Dual Prevention Mechanism

A robust dual prevention mechanism has been implemented, combining safety risk classification control with hazard investigation and management. Each plant regularly conducts thorough hazard identification and risk assessments, categorizing risks into major, significant, general, and low levels for tiered control. Corresponding inspection levels and frequencies are established for different risk categories to comprehensively enhance safety management.

02 "Five Duals" Mechanism

All precursor chemicals and explosives are securely stored in dedicated warehouses equipped with anti-theft doors & windows, video surveillance, and access control systems. A stringent "five duals" management model is enforced, comprising dual custody, dual locks (keys), dual accounting, dual personnel for shipping, and dual personnel for requisition. This ensures strict control from storage to use.

03 Specialized Training and Daily Communication

Hazardous chemical purchasers and custodians are required to undergo annual professional training organized by local emergency departments and obtain certification before assuming their roles. Regular on-the-job safety training is provided for employees involved in chemical storage, management, and use. This training covers crucial topics such as Material Safety Data Sheets (MSDS), relevant laws and regulations, safety precautions, and emergency response procedures. During daily operations, MSDS lists are prominently displayed, awareness cards are strategically posted, and labels are affixed to materials to promote safe and standardized chemical use.

04 Specialized Drills

Regular emergency response drills simulating chemical spills are conducted at each plant. These drills involve all personnel responsible for storing, managing, and using hazardous chemicals, as well as emergency management staff. These exercises enhance employees' emergency response capabilities and collaborative handling skills, ensuring swift and effective responses to potential chemical spill incidents.



Community Engagement

JCET actively engages in charitable endeavors and public welfare volunteer activities, aligning its efforts with local community needs while leveraging its professional expertise and core competencies. Through the strategic deployment of technological, financial, and human resources, the Company maintains a consistent presence in public welfare and volunteer services. JCET demonstrates its unwavering commitment to social responsibility through various impactful initiatives, including establishing the first-of-its-kind packaging and testing museum, participating in the release of endangered fish species to support wildlife conservation, creating an environmental protection and health charity fund, and organizing voluntary tree planting activities. These efforts contribute significantly to regional educational development, promote biodiversity conservation, support environmental and public health causes, and actively foster sustainable community development. Ultimately, these initiatives play a crucial role in creating a harmonious future where humans and nature coexist.



Key Performance

Total investment in public welfare/
external donations

RMB **267.11** million

Total employee attendance in
volunteer services

363

Case | Pioneering Packaging and Testing Museum Advances Science Education

In 2024, JCET took the lead in establishing the industry's first professional museum dedicated to integrated circuit packaging and testing. The museum offers a comprehensive view of the packaging and testing industry's evolution, technological breakthroughs, supply chain structure, and current applications through various interactive exhibits. These include a "time tunnel" installation, scale models, digital displays, and VR experiences, effectively showcasing the fascinating world of technology.

JCET has positioned the museum as a vital hub for education and science popularization. By organizing educational activities and creating platforms for exchange, the Company aims to disseminate knowledge and foster future innovators, thereby contributing to educational and technological advancement. As of December 2024, the museum has welcomed over 2,200 visitors from diverse backgrounds, including government agencies, media outlets, universities, industry associations, community organizations, schools, and local residents.



Elementary school students explore the packaging and testing museum.



Students from the Excellent Engineers Class at the School of Electronic Science and Engineering, Nanjing University visit the packaging and testing museum.

Case | Environmental Protection and Health Charity Fund

In 2023, JCET partnered with the Wuxi Charity Federation to establish the JCET Environmental Protection and Health Charity Foundation. Throughout 2024, this foundation supported numerous charitable initiatives covering a wide range of areas, including environmental protection, occupational health and safety, public health, support for women and children, and rural revitalization. These efforts represent tangible steps towards building a greener, healthier future.

Environmental Enhancement Project along the high-speed railway to the north of Chengshan Road, Jiangyin City

In March 2024, an environmental improvement project funded by the JCET Environmental Protection and Health Charity Foundation was successfully completed. This initiative implemented extensive landscaping across approximately 2,000 square meters, significantly enhancing the local ecosystem and adding vibrancy to the urban landscape.



ESG Committee members actively participate in greening initiatives.

"Accompanying with Love" Cancer Patient Rehabilitation Center

In April 2024, a Cancer Patient Rehabilitation Center funded by the foundation was established. This facility provides local cancer patients with a multifaceted rehabilitation space, offering comprehensive charitable care and support.



Free medical consultations



Hand drum training sessions



Fashion show presented by breast cancer patients

Xinrui Health Outreach Program

In October 2024, the foundation supported the formation of the "Xinrui Health Outreach" public welfare group. This team conducted educational sessions and free medical consultations for community seniors and children. They also provided charitable medical consultations for disadvantaged individuals with severe or complex illnesses, even arranging for Shanghai specialists to offer specialized treatment in Wuxi.



Youth mental health awareness lecture



Free medical consultations in communities

Support Program for Vulnerable Women and Children

In November 2024, a series of support programs for women and children in need was launched with funding from the Foundation. These initiatives provided care and support to children at risk of domestic violence and women facing difficulties, helping them overcome adversities and work towards a brighter future.



"Benevolent Light, Helping Settle Down" anti-domestic violence seminar



Distribution of Starlight Care packages to those in need

Nature Note Solicitation Project

In December 2024, the foundation supported a youth-focused nature note solicitation activity organized by the Jiangyin Museum. This project encompassed various components, including the "Sharing Yangtze Water, Children Drawing Jiangyin's Beauty" nature note creative course, the "Living at the Yangtze Estuary, Building Yangtze's Beauty Together" museum-community cooperation curriculum, and the "Hello, Mr. Tree" course series. These activities encouraged young people to engage with their local environment and biodiversity, promoting ecological awareness and instilling environmental values.



"Sharing Yangtze Water, Children Drawing Jiangyin's Beauty" nature note creative course



"Bird Watching in the Forest" session in the "Hello, Mr. Tree" course series



"Living at the Yangtze Estuary, Building Yangtze's Beauty Together" museum-community cooperation curriculum

Clean Water Vegetable Garden - Shoushan Community Shared Garden Project

The foundation supported the Chengdong Sub-district of Jiangyin City in developing a 17-mu vegetable supply base. This innovative project combines sustainable agriculture with cultural tourism, addressing issues such as poor land management, unauthorized construction, and unregulated farming. It serves as a model for empowering rural revitalization, achieving both environmental and economic benefits.

Appendix

Reporting Boundary

The reporting boundary of this report is defined based on the actual management scope in 2024 and is specified as follows:

1. Consistent with the scope of consolidated financial statements: This scope covers all subsidiaries and associates included in the consolidated financial statements.
2. Excluding Sondrel Semiconductor: This scope includes all subsidiaries and associates except Sondrel Semiconductor.
3. Eight plants: This scope includes eight manufacturing plants of JCET (excluding those under construction), namely: JCET Co., Ltd (JCET D3), JCET (Suqian) Co., Ltd., JCET (Chuzhou) Co., Ltd., STATS ChipPAC Semiconductor (Jiangyin) Co., Ltd., Jiangyin JCET Advanced Packaging Co., Ltd., STATS ChipPAC Pte. Ltd., STATS ChipPAC Korea Ltd., and JCET STATS ChipPAC Korea Ltd.

Report Content	Coverage Scope		
	Consistent with the scope of consolidated financial statements	Excluding SanDisk Semiconductor	8 plants
01 Stable and Efficient Operations			
Corporate Governance	●		
Business Ethics	●		
Information Security		●	
02 Clean and Low-Carbon Development			
Environmental Compliance Management			●
Addressing Climate Change			●
Water Resource Management			●
Mitigating Environmental Impact			●
03 Upholding the Commitment to Quality			
Innovation-driven Development		●	
Responsible Products		●	
Sustainable Supply Chain		●	
Responsible Minerals		●	
04 Charting a Shared Path to a Brighter Future			
People-Oriented Approach		●	
Community Engagement		●	

Key Performance Table

Data			Coverage Scope		
Indicator	Unit	2024	Consistent with the scope of consolidated financial statements	Excluding SanDisk Semiconductor	8 plants
Economic Performance					
Operating revenue	billion RMB	35.962	●		
Total tax payment	million RMB	115	●		
Governance Performance					
Proportion of female directors	%	22.2	●		
Coverage rate of business ethics and anti-corruption training	%	100	●		
Number of concluded corruption lawsuits filed against the Company and its employees	cases	0	●		
Environmental Performance					
Investment in environmental protection	million RMB	165.0394	●		
Gasoline usage	kg	69,007.83			●
Diesel usage	kg	27,175.86			●
Natural gas consumption	million cubic meters	3.136			●
Purchased electricity	MWh	1,344,124.79			●
Outsourced steam	tons	808,312.16			●
Total energy consumption	MWh	2,043,342.13			●
Energy consumption per unit of output value	MWh per RMB 10,000 of revenue	0.57			●
Greenhouse gas emissions (Scope I)	tons of CO ₂ equivalent	22,918.04			●
Greenhouse gas emissions (Scope II)	tons of CO ₂ equivalent	730,313.70			●
Indirect greenhouse gas emissions (Scope III)	tons of CO ₂ equivalent	469,480.26			●

Data			Coverage Scope		
Indicator	Unit	2024	Consistent with the scope of consolidated financial statements	Excluding SanDisk Semiconductor	8 plants
Water withdrawal	tons	11,022,707.65			●
Water consumption	tons	5,574,389.15			●
Wastewater reuse	tons	3,142,138.00			●
Ultrapure water consumption	tons	7,583,336.46			●
Water consumption per unit of output value	tons per RMB 10,000 of revenue	3.07			●
Wastewater discharge volume	tons	5,448,318.50			●
Wastewater discharge intensity	tons per RMB 10,000 of revenue	1.51			●
Total exhaust emissions	kg	41,462.93			●
Non-hazardous waste generation	tons	18,548.94			●
Hazardous waste generation	tons	16,108.49			●
total waste generated	tons	34,657.43			●
Solid waste landfill rate	%	0.49			●
Social Performance					
R&D investment	billion RMB	1.718	●		
R&D investment as a percentage of revenue	%	4.78	●		
R&D personnel	persons	3,273		●	
Proportion of R&D personnel	%	14.9		●	
Cumulative number of patents	cases	3,030		●	
Cumulative number of invention patents	cases	2,498		●	
Patents granted during the year	cases	178		●	
Customer satisfaction	score	4.3		●	
Number of customer complaints	cases	21		●	
Customer complaint handling rate	%	100		●	

Data			Coverage Scope		
Indicator	Unit	2024	Consistent with the scope of consolidated financial statements	Excluding SanDisk Semiconductor	8 plants
Coverage rate of responsible mineral due diligence among material suppliers	%	100		●	
Proportion of minerals used by suppliers that conform to RMI conflict-free smelter standards	%	100		●	
Total number of employees	persons	21,919		●	
Average annual employee turnover rate	%	18.12		●	
Number of complaints related to employee discrimination or harassment	cases	0		●	
Proportion of female employees among the backup management talent	%	23.4		●	
Proportion of female employees in middle and senior management	%	19.4		●	
Parental leave return rate	%	100		●	
Total investment in employee training	million RMB	1,654		●	
Total number of employees trained	persons	26,074		●	
Total employee training hours	hours	1,357,060		●	
Average training hours per employee	hours	52		●	
Employee training coverage	%	100		●	
Number of work-related fatalities	persons	0		●	
Number of recordable work-related injuries	persons	15		●	
Number of severe work-related injuries	persons	0		●	
Total lost workdays due to work-related injuries	days	372		●	
Lost time injury frequency rate (LTIFR)	/	4.93		●	
Total recordable incident rate (TRIR)	/	0.1986		●	
Coverage rate of safety training	%	100		●	
Total investment in public welfare/external donations	million RMB	2,671		●	
Total number of volunteer participations	participations	363		●	

Indicator Index Table

GRI Standards Index

JCET has prepared the information referenced in this GRI Content Index with reference to the GRI Standards for the reporting period from January 1 to December 31, 2024.

GRI standards	Disclosure Item	Disclosure Section/Description
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	About this report; About JCET
	2-2 Entities included in the organization's sustainability reporting	About This Report
	2-3 Reporting period, frequency and contact point	About This Report
	2-4 Restatements of information	About This Report
	2-5 External assurance	Appendix
	2-6 Activities, value chain and other business relationships	About JCET
	2-7 Employees	Inclusive Workplace
	2-8 Workers who are not employees	Inclusive Workplace
	2-9 Governance structure and composition	Corporate governance structure
	2-10 Nomination and selection of the highest governance body	Board Effectiveness and Diversity
	2-11 Chair of the highest governance body	Board Effectiveness and Diversity
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate governance
	2-13 Delegation of responsibility for managing impacts	Sustainable Development Management
	2-14 Role of the highest governance body in sustainability reporting	Sustainable Development Management
	2-15 Conflicts of interest	Business ethics; refer to the annual report
	2-16 Communication of critical concerns	Material issue management
	2-17 Collective knowledge of the highest governance body	/
	2-18 Evaluation of the performance of the highest governance body	/
	2-19 Remuneration policies	Refer to the annual report
	2-20 Process to determine remuneration	Refer to the annual report
	2-21 Annual total compensation ratio	Refer to the annual report
	2-22 Statement on sustainable development strategy	Sustainable Development Management
	2-23 Policy commitments	Business Ethics
	2-24 Embedding policy commitments	Sustainable Development Management

GRI standards	Disclosure Item	Disclosure Section/Description
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	Business Ethics
	2-26 Mechanisms for seeking advice and raising concerns	Stakeholder Communication; Business Ethics
	2-27 Compliance with laws and regulations	Business Ethics
	2-28 Membership associations	/
	2-29 Approach to stakeholder engagement	Stakeholder Communication
	2-30 Collective bargaining agreements	Labor and Human Rights Management
Material Issues		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material issue management
	3-2 List of material topics	Material issue management
	3-3 Management of material topics	Material issue management
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Refer to the annual report
	201-2 Financial implications and other risks and opportunities due to climate change	Climate Strategy
	201-3 Defined benefit plan obligations and other retirement plans	Compensation and Incentives
	201-4 Financial assistance received from government	Refer to the annual report
Market Performance		
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	/
	202-2 Proportion of senior management hired from the local community	/
Indirect economic impact		
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	Community Engagement
	203-2 Significant indirect economic impacts	Community Engagement
Anti-corruption		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	/
Anti-corruption		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Business Ethics
	205-2 Communication and training about anti-corruption policies and procedures	Business Ethics
	205-3 Confirmed incidents of corruption and actions taken	Business Ethics
Anti-competitive Behavior		
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Ethics

GRI standards	Disclosure Item	Disclosure Section/Description
Tax		
GRI 207: Tax 2019	207-1 Approach to tax	2022 ESG Report - Tax Risk Management and Regulation
	207-2 Tax governance, control, and risk management	2022 ESG Report - Tax Risk Management and Regulation
	207-3 Stakeholder engagement and management of concerns related to tax	2022 ESG Report - Tax Risk Management and Regulation
	207-4 Country-by-country reporting	/
Materials		
GRI 301: Materials 2016	301-1 Materials used by weight or volume	/
	301-2 Recycled input materials used	/
	301-3 Reclaimed products and their packaging materials	Green Packaging
Energy		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Climate Strategy
	302-2 Energy consumption outside of the organization	Climate Strategy
	302-3 Energy intensity	Climate Strategy
	302-4 Reduction of energy consumption	Low-Carbon Operations
	302-5 Reductions in energy requirements of products and services	Low-Carbon Operations
Water and Effluents		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Resource Management
	303-2 Management of water discharge related impacts	Water Resource Management
	303-3 Water withdrawal	Water Resource Management
	303-4 Water discharge	Water Resource Management
	303-5 Water consumption	Water Resource Management
Biodiversity		
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	/
	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity Conservation
	304-3 Habitats protected or restored	/
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	/

GRI standards	Disclosure Item	Disclosure Section/Description
Emissions		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate Strategy
	305-2 Energy indirect (Scope 2) GHG emissions	Climate Strategy
	305-3 Other indirect (Scope 3) GHG emissions	Climate Strategy
	305-4 GHG emissions intensity	Climate Strategy
	305-5 Reduction of GHG emissions	Climate Strategy
	305-6 Emissions of ozone-depleting substances (ODS)	/
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Emissions and Waste Management
Waste		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Emissions and Waste Management
	306-2 Management of significant waste-related impacts	Emissions and Waste Management
	306-3 Waste generated	Emissions and Waste Management
	306-4 Waste diverted from disposal	Emissions and Waste Management
	306-5 Waste directed to disposal	Emissions and Waste Management
Supplier Environmental Assessment		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply Chain Risk Control
	308-2 Negative environmental impacts in the supply chain and actions taken	Supply Chain Risk Control; Responsible Minerals
Employment		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Inclusive Workplace
	401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees	Compensation and Incentives
	401-3 Parental leave	Compensation and Incentives
Labor/Management Relations		
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	/
Occupational Health and Safety		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
	403-3 Occupational health services	Occupational Health and Safety

GRI standards	Disclosure Item	Disclosure Section/Description
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	Employee Engagement and Communication; Occupational Health and Safety
	403-5 Worker training on occupational health and safety	Occupational Health and Safety
	403-6 Promotion of worker health	Occupational Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety
	403-9 Work-related injuries	Occupational Health and Safety
	403-10 Work-related ill health	Occupational Health and Safety
Training and Education		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Talent Development
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Development
	404-3 Percentage of employees receiving regular performance and career development reviews	/
Diversity and Equal Opportunity		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Board Effectiveness and Diversity; Diversity and Equal Opportunity
	405-2 Ratio of basic salary and remuneration of women to men	/
Non-discrimination		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Diversity and Equal Opportunity; Labor and Human Rights Management
Freedom of Association and Collective Bargaining		
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Diversity and Equal Opportunity
Child Labor		
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Inclusive Workplace

GRI standards	Disclosure Item	Disclosure Section/Description
Forced or Compulsory Labor		
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Inclusive Workplace; Supply Chain Risk Management
Security Practices		
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Labor and Human Rights Management
Local Communities		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community engagement
	413-2 Operations with significant actual and potential negative impacts on local communities	Material Issue Management
Supplier Social Assessment		
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainable supply chain
	414-2 Negative social impacts in the supply chain and actions taken	Supply Chain Risk Control; Responsible Minerals
Customer Health and safety		
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Not relevant
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Not relevant
Marketing and Labeling		
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Products and Services
	417-2 Incidents of non-compliance concerning product and service information and labeling	No occurrence
	417-3 Incidents of non-compliance concerning marketing communications	No occurrence
Customer privacy		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer	No occurrence

Index Against the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)

	Clause	Corresponding Topic	Section 3 Suppliers and Clients
Chapter I General Provisions			
Chapter II Disclosure Framework for Sustainability Information			
	Article 11		
	Article 12 (1)		
	Article 12 (2)		
	Article 12 (3)		
	Article 12 (4)		
	Article 12 (5)		
	Article 13		
	Article 14 (1)		
	Article 14 (2)		
	Article 15 (1)	/	Sustainable Development Management
	Article 15 (2)		
	Article 15 (3)		
	Article 16 (1)		
	Article 16 (2)		
	Article 17		
	Article 18 (1)		
	Article 18 (2)		
	Article 18 (3)		
	Article 18 (4)		
	Article 19		
Chapter III Environmental Disclosure			
	Article 20		
	Article 21		
	Article 22 (1)		
	Article 22 (2)		
	Article 22 (3)		
	Article 23 (1)		
Section 1 Climate Response	Article 23 (2)	Addressing Climate Change	Addressing Climate Change
	Article 23 (3)		
	Article 23 (4)		
	Article 23 (5)		
	Article 24		
	Article 25 (1)		
	Article 25 (2)		
	Article 25 (3)		

	Clause	Corresponding Topic	Section 3 Suppliers and Clients
Section 1 Climate Response	Article 26	Addressing Climate Change	Mitigating Environmental Impact
	Article 27		
	Article 28		
	Article 29	/	
Section 2 Pollution Control and Ecosystem Protection	Article 30 (1)	Pollutant emissions	Emissions and Waste Management
	Article 30 (2)		
	Article 30 (3)		
	Article 30 (4)		
	Article 30 (5)		
	Article 31 (1)	Waste disposal	
	Article 31 (2)		
	Article 31 (3)		
	Article 32 (1)	Ecosystem and Biodiversity Protection	Biodiversity Conservation
	Article 32 (2)		
	Article 32 (3)		
	Article 32 (4)		
	Article 32 (5)		
	Article 33 (1)	Environmental Compliance Management	Environmental Compliance Management
	Article 33 (2)		
	Article 33 (3)		
Section 3 Resource Utilization and Circular Economy	Article 34	/	Mitigating Environmental Impact
	Article 35 (1)	Energy Utilization	Addressing Climate Change
	Article 35 (2)		
	Article 35 (3)		
	Article 36 (1)	Water Resources Utilization	Water Resources Management
	Article 36 (2)		
	Article 37 (1)	Circular Economy	Mitigating Environmental Impact
	Article 37 (2)		
	Article 37 (3)		
Chapter IV Social Disclosure			
Section 1 Rural Revitalization and Social Contributions	Article 38	/	Community Engagement
	Article 39 (1)	Rural Revitalization	Community Engagement
	Article 39 (2)		
	Article 39 (3)		
	Article 40	Social Contribution	Community Engagement
Section 2 Innovation-Driven Development and Ethics of Science and Technology	Article 41	/	
	Article 42 (1)	Innovation-driven development	Innovation-driven development
	Article 42 (2)		
	Article 42 (3)		
	Article 43 (1)	Technology Ethics	The Company is engaged in semiconductor packaging and testing services. No sensitive issues related to technology ethics were involved during the reporting period.
	Article 43 (2)		
	Article 43 (3)		
	Article 43 (4)		

	Clause	Corresponding Topic	Section 3 Suppliers and Clients
Section 3 Suppliers and Clients	Article 44	/	Sustainable Supply Chain, Responsible Minerals
	Article 45 (1)	Supply Chain Security	
	Article 45 (2)		
	Article 46	Equal Treatment of Small and Medium-sized Enterprises	This topic applies to specific entities: companies whose accounts payable (including notes payable) exceeded RMB 30 billion or accounted for more than 50% of total assets at the end of the reporting period, or companies (including their majority-owned subsidiaries) that disclosed information on overdue payments to SMEs through the National Enterprise Credit Information Publicity System. This topic was not applicable to JCET during the reporting period.
	Article 47 (1)	Product and service safety and quality	
	Article 47 (2)		
	Article 47 (3)		
	Article 47 (4)		
	Article 48 (1)	Data Security and Customer Privacy Protection	Information Security
	Article 48 (2)		
	Article 48 (3)		
	Article 48 (4)		
Section 4 Employees	Article 49	Employees	People-Oriented Approach
	Article 50 (1)		
	Article 50 (2)		
	Article 50 (3)		
Chapter V Corporate Governance Information Related to Sustainable Development Disclosure			
Section 1 Sustainability-Related Governance Mechanisms	Article 51	/	Sustainable Development Management
	Article 52	Due Diligence	
	Article 53 (1)	Stakeholder Communication	
	Article 53 (2)		
Section 2 Commercial Behaviors	Article 54	/	Business Ethics
	Article 55 (1)	Anti-commercial Bribery and Anti-corruption	
	Article 55 (2)		
	Article 55 (3)		
	Article 55 (4)		
	Article 56 (1)	Anti-unfair Competition	
Article 56 (2)			
Chapter VI Supplementary Provisions and Interpretation			
/	Article 57	/	Indicator Index Table
/	Article 58	/	Third-Party Assurance

Third-Party Assurance



Independent Assurance Statement

Introduction

TÜV Rheinland (Shanghai) Co., Ltd., a member of TÜV Rheinland Group (hereinafter "TÜV Rheinland" or "We"), was entrusted by JCET Group Co., Ltd. (hereinafter "JCET" or the "Company") to conduct an independent third-party assurance of 2024 Environmental, Social and Governance (ESG) Report of JCET (hereinafter, the "ESG Report"). The report disclosed sustainability information for the fiscal year 2024 (January 1, 2024 to December 31, 2024) of JCET.

Responsibilities

JCET is not only responsible for the preparation of ESG report and the collection and submission of sustainability information in accordance with applicable reporting standards, but also has the obligation to implement and maintain effective internal control of information and data to support the report compilation process.

TÜV Rheinland is a global service provider that provides CSR and sustainability services in more than 65 countries, with experienced and technical expertise in the areas of environment, CSR, sustainability and stakeholder engagement. TÜV Rheinland Assurance team follows the TÜV Rheinland Global Business Ethics Compliance Policy and Procedures, covering the principles of integrity compliance and conflict of interest. Therefore, our assurance services are based on the principles of independence and impartiality, and we do not participate in the writing and preparation of the report of JCET. It is the duty of TÜV Rheinland to carry out independent assurance in accordance with the assurance agreement and the agreed scope of assurance work, and to make independent and impartial judgments on ESG reporting.

Assurance Standard

TÜV Rheinland undertook assurance work for the sustainability information disclosed in ESG report of JCET in accordance with the AccountAbility AA1000 Assurance Standard v3 (AA1000AS v3), Type 1 and Moderate level.

Assurance Objectives

The purpose of the assurance was to provide management of JCET and stakeholders concerned with the company's sustainability information and performance to provide an independent view of the assurance, including assessment of whether the content of the report adhered to the AA1000AP (2018) Assurance Principles (including inclusivity, materiality, responsiveness and impact), and verification of sustainability information disclosure.

Assurance Criteria

The following assessment criteria were used in undertaking the work:

- Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 14 - Sustainability Report (Trial)
- Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 1 – Standardized Operation (2023)
- Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 4 - Preparation of Sustainability Reports
- GRI Standards of Global Sustainability Standards Board (GSSB)
- European Sustainability Reporting Standards (ESRS)
- The United Nations Sustainable Development Goals (UN SDGs)
- Adherence to the AA1000 AP AccountAbility Principles, i.e., *Inclusivity, Materiality, Responsiveness, and Impact*

Methodology



Our assurance activities and procedures include:

- Inquiring management and those personnel responsible for collecting and aggregating sustainability performance information to understand the management processes, systems, and controls for sustainability performance information.
- Reviewing and assessing the availability, adequacy, and relevance of performance information based on sampling principles.
- Applying analysis program to assess the accuracy of the information available for performance data.
- Collecting and examining the supporting evidence of available performance information to assess the extent to which the relevant evidence and information related to the scope of the assurance in the sustainability report supports and adheres to the AA1000AP AccountAbility Principles.
- Reporting assurance observations or recommendations to give the company's management an opportunity to correct errors before the assurance process is completed.

Limitations

TÜV Rheinland planned and executed the verification in accordance with the scope of the assurance agreed upon in order to obtain all the information, evidence and necessary explanations to provide the basis for the conclusion of the assurance in accordance with the moderate level of AA1000AS v3.

The information and performance data relating to the assurance is limited to the disclosure of the contents of this report. Our assurance work did not include financial report and its financial data, as well as other information not related to the topic of sustainability.

Conclusions

Based on the above assurance procedures and methodology performed and the evidence obtained, we conclude that there are no instances or information that would be contrary to the following statements:

- 2024 ESG Report of JCET and its contents are in adherence to the AA1000AP AccountAbility Principles and align with the information disclosure requirements of Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 14 - Sustainability Report (Trial).
- JCET has implemented processes and management systems (e.g., the supplier management system, JSRM) to collect and aggregate performance information and data related to materiality issues within the reporting boundary, and management practices have shown that the company conducted double materiality analysis and evaluation of issues.
- The sustainability-related information and performance disclosed in the report have been assessed and supported by documentary evidence.

TÜV Rheinland shall not bear any liability or responsibility to a third party for perception and decision on JCET based on this Assurance Statement.

Adherence to the AA1000AP AccountAbility Principles

Inclusivity

JCET has identified its key stakeholders such as shareholders and investors, governments and regulators, customers, employees, partners and suppliers, as well as communities and the public. Evidence indicated that in 2024, the company has conducted a questionnaire survey of internal and external stakeholders, covering topics such as water resource management, response to climate change (such as greenhouse gas emissions), product quality and safety, and sustainable supply chain, and could provide reference for the analysis of double materiality issues and the company's ESG management decision-making through the analysis of the survey results.

Materiality

Evidence showed that in 2024, JCET has carried out a double materiality assessment process. Based on the analysis of macro policies, the new sustainable development guidelines of the Shanghai Stock Exchange, industry characteristics and development trends, etc., the company has identified general ESG issues and industry-specific ESG issues, and evaluated the importance of the identified ESG issues from two dimensions: impact materiality and financial materiality according to the results of stakeholder questionnaire survey and analysis, including the financial materiality analysis of these issues by company executives and financial experts. The materiality issues matrix chart



shows the key issues of the year, including those that are both financial materiality and impact materiality (e.g., product quality and safety, water management, response to climate change, innovation-driven, corporate governance, etc.). The company's ESG Committee reviewed and approved the results of the assessment of the above materiality issues.

Responsiveness

JCET's communication channels with its key stakeholders usually include, but are not limited to, regular information disclosure, investor hotlines, customer high-level visits and satisfaction surveys, employee training and open dialogue mechanisms, supplier audits and training, industry cooperation and seminars, community public welfare, etc. Evidence showed that the company effectively has implemented the whole process of report acceptance, investigation and feedback, and has been committed to protecting the privacy of whistleblowers.

The report used a four-element disclosure framework of governance, strategy, risk and opportunity management, and indicators and targets to analyse and disclose information on topics (such as water management, response to climate change). Meanwhile, the report also disclosed data on key performance indicators such as greenhouse gas emissions (including Scope 1, 2 and 3 emissions), energy consumption, water resources, emissions and waste, employee rights and diversity, supply chain, work-related injury management, etc. The report disclosed dynamic adjustments to management objectives and strategies for materiality issues (e.g., carbon emissions and renewable energy targets) to specifically address stakeholder concerns.

Impact

JCET has implemented ESG risk management, focusing on climate, water resources, environmental protection and safety, information security, business ethics and anti-corruption, supply chain, labour and human rights and many other areas. Evidence showed that the company integrated risk management, compliance management and internal control systems to assess and control ESG risks in corporate operations and upstream and downstream of the value chain and implemented closed-loop management of corrective actions. The company has carried out due diligence on human rights in employment and due diligence on supply chain conflict minerals.

The report disclosed the results of the analysis of the impact, risks and opportunities of material issues, including the scope of impact, impact cycle, etc. Evidence indicated that in 2024, JCET has analysed and assessed climate change risks (including physical risks and transition risks) and opportunities and took countermeasures to reduce the impact on its own operations and upstream and downstream of the value chain, including upgrading equipment to save energy and reduce consumption, and strengthening carbon inventory at its own operational level.

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