Creating Our Future Together

Sustainability Report 2025/26



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

JOHNSON ELECTRIC

Johnson Electric in 2025/26

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

Providing
motion solutions
to approximately
1,500 customers

Generating Total Sales Revenue of
US$3.7 billion
and Net Income of
US$202 million

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

Making over
4 million
products* per day

* Motors and other motion-related products

EcoVadis Gold Medal:
Top 1%
in our industry*
(Score: 82%)

100%
renewable
electricity use

4th
consecutive
year achieving
zero waste
to landfill#

Assessed
88%
of our suppliers' ^
ESG performance

99.7% reduction
in Scope 2 emissions
from FY22/23 baseline,
surpassing our reduction
target of **65%** by FY34/35

* Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus
\# 99% or more of generated waste being diverted away from landfill
^ By direct material expenditure

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About the Cover
Johnson Electric believes in "Creating Our Future Together" by delivering innovative motion solutions that bring efficiency, convenience and comfort to every end user we touch.

Our EcoVadis Gold Medal Achievement

In 2025, we received the EcoVadis Gold Medal*, placing us in the top 3% of more than 150,000 companies assessed globally.

Within our industry#, we are:

TOP 1%

- **Overall Sustainability Performance**
- **Environment**
- **Ethics**
- **Sustainable Procurement**

TOP 8%

- **Labour and Human Rights**

A Remarkable Four-Year Journey

	2022	2023	2024	2025
Medal	**Bronze**	**Silver**	**Silver**	**Gold**
Score	**48%**	**64%**	**73%**	**82%**
Global Ranking		**Top 15%**	**Top 6%**	**Top 3%** (Top 1% in the industry)

* The Gold Medal is awarded to companies that place within the top 5% of EcoVadis assessments; Johnson Electric is within the top 3%

\# Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus

100% Renewable Electricity Use

Powering the Green Transition

In 2025, we reached a historic milestone — **achieving 100% renewable electricity** in just four years.

All our manufacturing sites worldwide now operate using 100% renewable electricity. This results in **zero emissions from our electricity consumption**, marking a significant step toward our long-term climate goals.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

217,000 Tonnes of Carbon Emissions Avoided*

equivalent to:

3.6 million tree seedlings grown for **10 years**

50,000 gas-fuelled vehicles **removed** from the road for **1 year**

* Source: US EPA. 217,000 tonnes of carbon emissions avoided refers to the amount of emissions reduced from our FY22/23 baseline

About Johnson Electric



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

Our purpose — **"Improving the quality of life of everyone we touch"** — continues to guide Johnson Electric's evolution from a small Hong Kong business in the year 1959 into a multinational company with over 30,000 employees in more than 20 countries.

Johnson Electric Group is a global leader in precision motors, motion subsystems and related electromechanical components, serving industries that strive to make people's lives more comfortable, safer and healthier. Johnson Electric Holdings Limited, the Group's parent company, is listed on the Stock Exchange of Hong Kong.

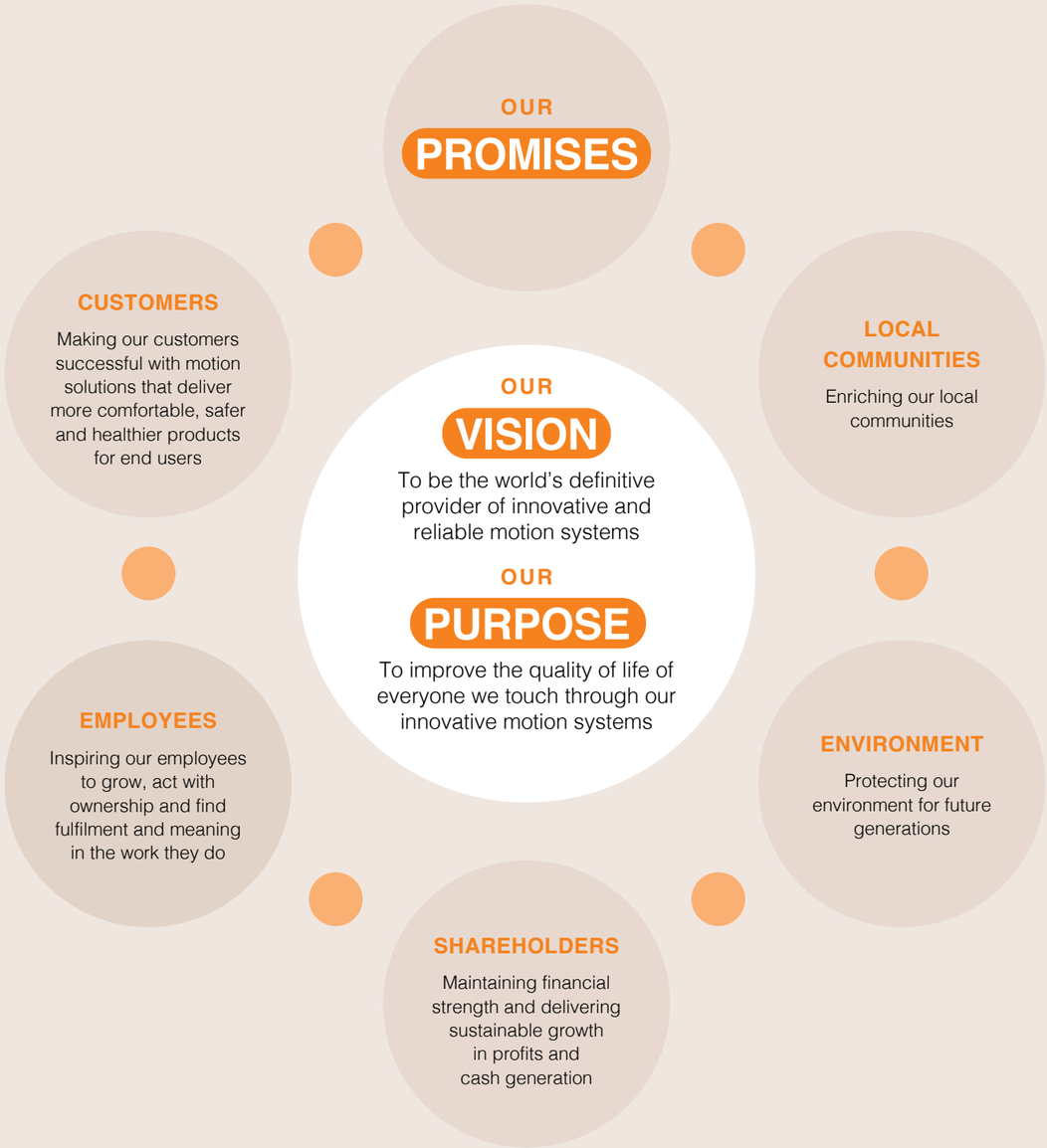
Engineering a Sustainable Future

"Business as usual is no longer sufficient to meet the challenges of today, let alone preserve our noble purpose to help improve people's lives."

Dr Patrick Wang, Chairman and Chief Executive

Global markets are facing increasing uncertainty, shaped by international trade tensions and disruptions to raw materials and supply chains. These pressures, alongside environmental and social challenges, demand new approaches from industry leaders.

At Johnson Electric, we believe our purpose must guide how we respond. By leveraging our expertise in motion systems and our deep ties to local communities worldwide, we are committed to creating positive impact, partnering with customers to address shared challenges, and generating sustainable value for all stakeholders.



Our MARBLE Values

Make customers successful and end users delighted

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

Attract and empower great people

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

Reach higher

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

Be sustainable

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

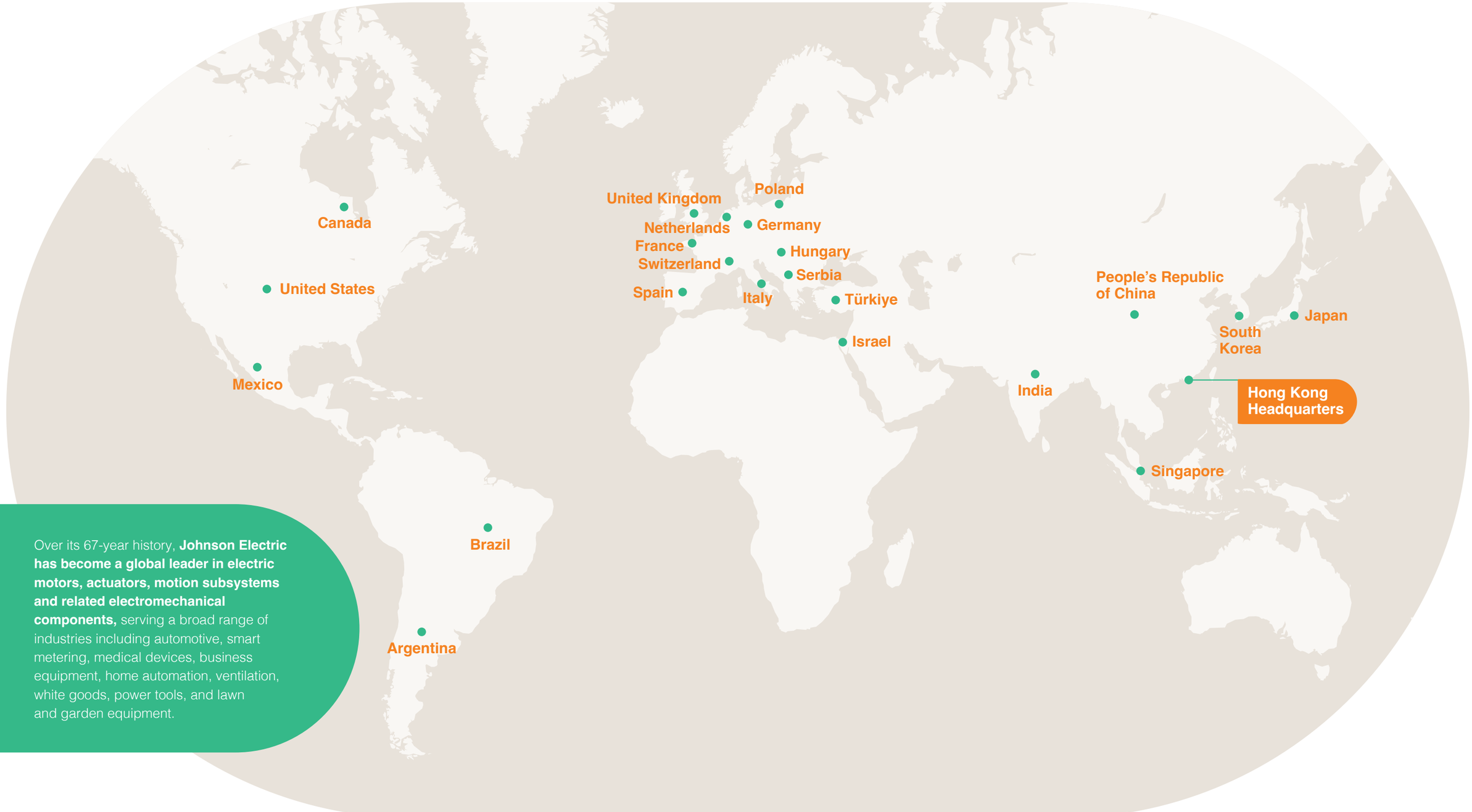
Lead by example

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

Excel in execution with practical solutions

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

Johnson Electric Around the World



Over its 67-year history, **Johnson Electric has become a global leader in electric motors, actuators, motion subsystems and related electromechanical components,** serving a broad range of industries including automotive, smart metering, medical devices, business equipment, home automation, ventilation, white goods, power tools, and lawn and garden equipment.

Our Business Segments

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



E-Mobility (APG)

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

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

Innovating for a Sustainable Future

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



Industrial, professional and consumer (IPG)

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

- Our innovative technologies enable our customers to achieve success while reducing consumption and waste, increasing energy efficiency and reducing carbon emissions, and lowering barriers to equality.
- Our MedTech products improve patient wellbeing, reduce labour intensity and deliver better clinical outcomes in healthcare applications.
- Our research, development and manufacturing of complete joint modules, dexterous hands and integrated systems form the "bones and muscles" of humanoid robots, positioning our customers to accelerate growth and scale globally in a rapidly expanding market that demands agile, lifelike motion across China and international markets.

Message from the Chairman and Chief Executive



Patrick Wang *SBS, JP*
Chairman and Chief Executive

> Amid growing uncertainty, it is the determination, creativity and resilience of Johnson Electric's people that power our ability to navigate change and seize new opportunities.

In 2025, Johnson Electric made strong progress toward the ambitions set out across the five pillars of our Sustainability Framework: Products, Environment, Employees, Communities, and Trust and Transparency.

I am especially proud to share last year's defining achievement: receiving an EcoVadis Gold Medal for the first time, after placing among the top 3% of more than 150,000 globally rated companies. We also ranked in the top 1% of our industry, reinforcing our position as a true global sustainability leader.

This recognition reflects a year of tangible and sustained progress. In 2025, we nearly eliminated our Scope 2 emissions, achieving a 99.7% reduction from our FY22/23 baseline, far exceeding our near-term target of a 65% reduction by 2035. This performance was driven primarily by another major milestone: Johnson Electric achieved 100% renewable electricity usage in 2025, up from 83% in the previous year. We also achieved our goal of zero waste to landfill* for the fourth consecutive year, while continuing to reduce both hazardous waste intensity and water withdrawal intensity.

Our focus is now increasingly shifting to the environmental footprint of our wider value chain, including our science-based Scope 3 reduction targets. We are rapidly expanding the use of product carbon footprint (PCF) and life cycle assessment (LCA) methodologies to help us create products that are "sustainable by design" and enable customers to meet their own sustainability goals. We also work closely with suppliers and partners around the world to promote responsible practices, ethical conduct and environmental responsibility. During the year, we further strengthened our supplier sustainability assessment processes and expanded training and guidance to help suppliers understand our expectations and build capability.

All these successes were driven by the dedication and ingenuity of Johnson Electric's employees around the world. We strive to foster a safe, supportive, and inclusive workplace where everyone can reach their potential. I am proud that we achieved our target of 15% female representation in senior management this year, and that we continue to invest in education and skills development for young people from underprivileged backgrounds through our Johnson Electric Technical Colleges in China, India and Mexico.

Amid growing uncertainty, it is the determination, creativity and resilience of Johnson Electric's people that power our ability to navigate change and seize new opportunities. On behalf of the Board, I would like to thank all our stakeholders for their commitment and support.

Patrick Wang *SBS, JP*
Chairman and Chief Executive

Hong Kong, 28 May 2026

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

ESG Awards and Ratings

Gold Medal: 82%

Top 3% among 150,000+ rated companies

Top 1% in the industry*

ISS ESG Prime Rating

in 2025

Climate Change: B
Water Security: B

A+ Rating

Among **Top 170** listed companies assessed by HKQAA Sustainability Rating and Research

ESG Grand Award 2025

By Master Insight and the Research Centre for ESG at Hang Seng University



Ranked #1 among Auto Components companies in China and placed in the Top 15% of the Auto Components industry globally in the S&P Corporate Sustainability Assessment 2024

Featured in the S&P Sustainability Yearbook (China) 2025

FTSE4Good Index

Index constituent since 2024

Caring Company

Recognized by the Hong Kong Council of Social Service for the past **10 years**

Hang Seng Corporate Sustainability Index Series Member 2025-2026

Hang Seng Corporate Sustainability Benchmark Index

Index constituent since 2018

* Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus

Our Approach to Sustainability



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

Aristotle

It is a source of tremendous pride that Johnson Electric has reached 100% renewable electricity and earned our first EcoVadis Gold Medal in the same year, once again demonstrating our global leadership in sustainability. Moreover, I am deeply proud that every department and every employee has played a role. These milestones are the fruit of four years of ambitious leadership and patient work, during which time sustainability has become fully embedded in every aspect of how we do business. We are also sincerely grateful to our customers and suppliers, who have been alongside us at every step of our sustainability journey: without their trust and collaboration, none of this would have been possible. In upcoming fiscal year, we will continue to work hand in hand with our partners to scale new heights, and the creativity and commitment of Johnson Electric’s people will keep driving us towards a better and more sustainable world.

Fernando Lopes
Head of Sustainability and Environment, Health & Safety

Our Approach

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

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

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

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

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

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

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

Our Sustainability Framework



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

FY25/26 Sustainability Highlights



Products

- Partnered with customers to quantify the product carbon footprint of **130** products
- **11% reduction** in the number of complaints as a ratio of sales compared with last year
- **9% reduction** in internal defect costs as a ratio of sales compared with last year
- Avoided **1,540** tonnes of packaging materials by providing returnable packaging services to customers



Employees

- **92%** of sites by number of hours worked hold ISO 45001 certifications
- **30% reduction** in lost-time accidents from last year, with lost-time accident rate and recordable injury rate remaining well below industry averages#
- **22% increase** in near-miss reports and **34% increase** in hazard reports from last year
- Achieved **15%** female representation in senior management, meeting our FY25/26 target

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



Environment

- Achieved **100%** renewable electricity usage, up from 83% the previous year
- **99.7% reduction** in Scope 2 carbon emissions from FY22/23 baseline, surpassing our near-term Scope 2 target of a 65% reduction by FY34/35
- **3% reduction** in waste intensity per sales from FY20/21 baseline
- **20% reduction** in hazardous waste intensity per sales from FY20/21 baseline, achieving our 20% reduction target
- **24% reduction** in water withdrawal intensity per sales from FY20/21 baseline
- **4th consecutive year** achieving zero waste to landfill*

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



Trust & Transparency

- Launched discretionary **Reward Scheme** for our whistle-blower hotline
- **93%** of our workforce employees completed ethics training, based on a rolling two-year training cycle
- **64%** of employees work in entities accredited by TISAX
- **88%** of suppliers by direct material expenditure have been assessed on their ESG performance



Communities

- More than **1,750** students have now graduated from our Johnson Electric Technical College
- More than **700** children joined the Junior Engineer program in 2025
- More than **400** community activities organized through our JEnerations program in 2025
- Recognized as Caring Company by the Hong Kong Council of Social Service for the past **10 years**



Products

We partner with customers to deliver solutions that drive sustainability.



Sustainability is no longer an aspiration, but a defining, long-term business strategy across the global automotive industry. Johnson Electric is playing a critical role in enabling automakers to develop and advance new energy vehicle innovations that meet fast-changing and differentiated market demands. Together, we are helping to drive the historic transition from the internal combustion engine to a new generation of cleaner, smarter mobility.

Kam-Chin Ko
SVP, Automotive Products Group

This year, we made significant progress in the use of product carbon footprints, sharpening our ability to capture granular, product-level sustainability insights. This helps us support our customers to cut value-chain emissions and design more sustainable industrial products and solutions. We will keep building on this momentum to create a low-carbon future.



Austin Wang
Executive Director and Executive Vice President

Main Topics and Key Highlights

Sustainable Products

- Continued to provide sustainable products to our customers

Product Carbon Footprint

- Sustainable products by design: partnered with our customers to deliver product carbon footprints for their products
- More than **130** products' product carbon footprints quantified

Product Quality & Product Safety

- **11% reduction** in the number of complaints as a ratio of sales compared with last year
- **9% reduction** in internal defect costs as a ratio of sales compared with last year

Material Management & Use

- Avoided **1,540** tonnes of packaging materials by providing returnable packaging services to customers

Products

Johnson Electric Brands

Motion Subsystem

JOHNSON MOTOR

Automotive EV thermal management system solutions



PENDIX

E-bike solutions



VSC.BIKE

Cargo bikes



JOHNSON MOTOR

eZTR system solutions



LEDEX

Warehouse automation solutions



JOHNSON MEDTECH

Surgical solutions



Motors & Actuators

JOHNSON MOTOR

DC micromotors, AC motors, EC motors



GATE

Brushed and brushless cooling fan module and motors



AML SYSTEMS

Lighting system actuators



saia-burgess

Automotive HVAC actuators



saia

Linear & rotary stepper motors



NANOMOTION LTD.

Piezo motors



Switches, Solenoids & Relays

saia

Microswitches



burgess

Trigger switches



LEDEX

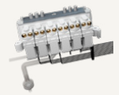
Solenoids & relays



Valves

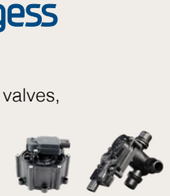
JOHNSON MEDTECH

Medical solenoid valves



saia-burgess

Automotive auxiliary coolant valves, spider valves



saia

Valves



Flexible Circuits

PARLEX

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



Powder Metals & Pumps

Stackpole International

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



Stackpole International

Engine and transmission oil pumps



JOHNSON MOTOR

Automotive water pumps, data cooling pumps



Our Approach

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

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

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

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

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

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

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

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

Building a Global-local Manufacturing Footprint

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

Locating our operations closer to customers shortens and simplifies logistics routes, cuts costs and emissions, and strengthens community and customer engagement. Localizing our supply chain, meanwhile, reduces tariff and currency risks, lowers packaging needs and supports local jobs. In addition, a diverse manufacturing footprint enhances resilience, builds capacity, spreads efficient technologies and develops workforce and technical capabilities across regions.

* We contribute to the exports of Argentina, Brazil, China, Hungary, India, Mexico, Poland, Serbia and Türkiye, all listed as developing economies in the International Monetary Fund’s World Economic Outlook Database, April 2025

Relationships with Customers

Our world-class customer base spans a broad array of sectors and includes household names across numerous end-markets. Today, the Group proudly serves more than 400 automotive customers and over 1,100 non-automotive customers, reflecting the breadth of our capabilities and the trust placed in us globally. These long-standing relationships are the foundation of our sustained success and are continually strengthened through a deliberate and strategic focus on understanding customer needs, delivering exceptional quality, and supporting customers wherever they operate.

A central pillar of our approach is customer-centric innovation. We recognize that customer needs are continuously evolving – driven by changing market dynamics, shifting end-user expectations and rapid technological advancements. To remain at the forefront, we prioritize innovation that directly enhances comfort, safety and health across a wide range of applications. Guided by our vision, purpose and MARBLE values, our sales and engineering teams collaborate closely with customers at every stage of the development cycle. Through ongoing dialogue, technical workshops and knowledge-sharing, we ensure that our solutions not only meet but anticipate customer expectations. This proactive engagement has established us as a trusted partner capable of co-creating solutions that unlock value and differentiation.

Another key strength is our unwavering commitment to quality and reliability. Our customers depend on us for components and motion solutions that must perform safely and consistently under demanding conditions. To uphold this responsibility, we apply rigorous reviews, testing protocols and validation processes – from initial concept through to full-scale production. This disciplined approach enables us to meet stringent safety, quality and performance requirements while maintaining competitive cost structures. As a result, we are widely recognized by customers as the “safe choice,” a supplier that delivers reliability without compromise.

Our global presence further enhances our ability to support customers effectively. With manufacturing facilities and sales offices located in more than 20 countries across four continents, we are able to provide localized expertise, timely communication and responsive service. This vertically integrated and flexible manufacturing footprint allows us to concentrate production for scale efficiencies or position manufacturing close to key customer hubs. In doing so, we ensure agility and swift adaptation to fluctuations in demand, supply chain changes and emerging opportunities. Whether customers require rapid prototyping, urgent design modifications or increased production volumes, our global network enables a fast and seamless response.

We also place strong emphasis on continuous improvement. Customer feedback is integral to shaping our development and refining our products and services. Through surveys, performance reviews, post-project evaluations and direct discussions, we systematically collect insights that inform enhancements in manufacturing processes, product design, service delivery and sustainability performance. This commitment to ongoing learning helps us stay aligned with customer priorities and industry best practices.

In addition, we maintain a clear stance on fair competition. We are committed to operating with integrity – avoiding any agreements or practices that could limit customer choice or distort the market. We do not misuse our market position, and uphold strict ethical standards that foster transparency, trust and long-term partnership.

Customers consistently express interest in topics such as product pricing, performance, quality, integrity, business ethics, and our broader sustainability strategy. To communicate effectively across these areas, we engage through multiple channels, including frequent customer meetings, phone calls and email exchanges, quarterly results announcements, and our Interim, Annual, and Sustainability Reports. Customers also conduct on-site factory visits and audits, during which we share progress on sustainability targets and respond to questionnaires and assessments. Our website and social media platforms offer additional avenues for communication.

Through these comprehensive efforts, we have built and maintained strong, enduring relationships with our customers – relationships grounded in trust, shared values, and a commitment to mutual success.

Sustainable Products

Our Approach

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

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

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

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

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

Green Products

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

E-Mobility Segment
(Automotive Products Group, APG)

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

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



Integrated Thermal Management System

The Integrated Thermal Management System (ITMS) is a key thermal-management technology for modern new-energy vehicles. It is designed to reduce overall system cost by approximately 30% and uses around 50% fewer components compared to traditional thermal systems. In addition, ITMS significantly enhances electric vehicle performance, improving driving range by up to 20% in cold climates.



By-Wire Chassis Motors

Steering-by-wire (SBW) and electro-mechanical braking (EMB) are core technologies that enable higher-level autonomous driving. These systems enhance driving safety in emergency scenarios, delivering a 20–25% reduction in stopping distance. They also eliminate roughly 70% of traditional mechanical linkage components, such as the steering column and hydraulic systems.

SBW and EMB motors serve as the critical hardware within these by-wire systems, providing fast, high-precision actuation and ensuring built-in safety redundancy required for advanced driving automation.







Seat Motors for the Smart Cabin

Seat systems are evolving from traditional convenience functions to advanced active safety and comfort-enhancing features. In the era of software-defined vehicles, the smart cabin now serves multiple roles—such as a living space or meeting room—significantly increasing the usefulness of vehicles that would otherwise remain idle for more than 90% of the time.

At the same time, active safety requirements in seat systems are becoming increasingly important. Our advanced motor technologies provide ideal solutions to meet these higher-quality and more demanding requirements. These motors feature rare-earth-free designs, leverage existing motor platforms and production facilities, and deliver excellent NVH (noise, vibration, and harshness) performance, lightweight construction and low cost, making them well-suited for next-generation smart cabin applications.

Condensation Management Devices

Our Condensation Management Device ("CMD") is an advanced, maintenance-free solution engineered to eliminate moisture inside lighting enclosures and enhance long-term system reliability. Using proprietary self-regulating moisture control technology, CMD prevents optical degradation, corrosion and electrical instability without vents or consumables. Its compact, universal design integrates seamlessly into automotive, industrial, marine and outdoor lighting systems.





Sustainable Products

Industrial, Professional & Consumer Segments (Industry Products Group, IPG)

The Industry Products Group (IPG) serves a broad range of industrial, professional and consumer markets, many of which are undergoing rapid social and technological change. As electromechanical components become more widely used, products are becoming smaller, lighter, and more accessible. This improves quality of life, but creates new environmental pressures from higher energy consumption and increased raw material use.

Sustainable alternatives exist, but affordability remains essential to drive adoption. IPG is addressing this challenge by delivering environmentally friendly solutions at competitive prices. Our products help replace internal combustion engines in outdoor equipment, support smart meters that promote energy awareness, lighten power tools to improve accessibility, and enhance health and wellbeing through innovations in medical and surgical devices.

At the same time, IPG mitigates the environmental impacts of the consumer economy by enabling greater energy efficiency, lower carbon emissions and reduced pollution. Our market-leading innovations also help customers meet evolving government regulations on energy consumption and efficiency.

Humanoid Robot Joints

Our integrated joint actuators deliver high torque density, low backlash and compact efficiency for next-generation humanoid and service robots. Designed for precise, quiet and energy-efficient motion, they combine advanced motor technology with intelligent sensing and control. This integrated design enhances robotic performance while reducing material use, improving reliability and supporting more sustainable, human-centric robotic applications.





Smart Ventilation for Energy Efficient Buildings

Our smart ventilation systems support sustainable buildings by replacing traditional shaded-pole and capacitor motors with automotive-grade brushless direct current (DC) electronically commutated (EC) motors. These intelligent, self-adjusting solutions improve airflow, reduce noise and deliver superior energy performance. Key applications include high-efficiency range hoods in Europe, heat and energy-recovery ventilators (HRVs/ERVs) in North America, and UART-enabled bath-fan motors in China. With energy savings of 50–70%, our EC upgrades modernize existing systems, reduce operating costs and support global carbon reduction goals.



AI Data Centre Power Solutions

Supporting the rapid growth of AI data centres we supply precision-engineered interconnect plates for natural gas-fuelled solid oxide fuel cells used in on-site power generation. Unlike diesel generators or gas turbines, fuel cells produce electricity electrochemically rather than through combustion, resulting in significantly lower local air pollutants and higher efficiency. This reduces emissions of nitrogen oxides, sulfur oxides and particulate matter while delivering reliable, continuous power for dense AI workloads. The technology also offers a pathway to biogas and hydrogen for long-term decarbonization.

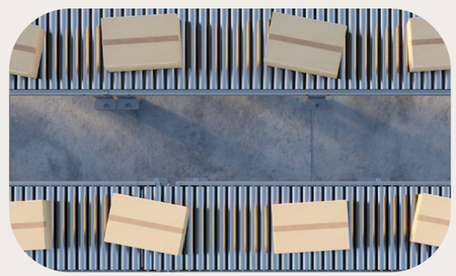
Smart Wireless Vital Signs Monitoring for Maternal and Foetal Health

Our wireless vital signs monitoring solution features a single-use foetal monitoring electrode patch that captures maternal and multi-foetal heart rate and contraction signals. The showerproof, biocompatible design incorporates precisely dispensed hydrogel, a surface-mounted technology security chip, and customizable abdominal conformability. Paired with a reusable wireless pod, each sensor patch is programmed, tested, sealed, and hospital-ready, supporting efficient care.



A Smarter and Greener Alternative to O-ring Conveyor Systems

Our TrueDrive™ motorized rollers deliver a safer, more sustainable alternative to traditional O-ring conveyor systems. By eliminating O-rings, gearboxes and pneumatics, TrueDrive™ reduces maintenance risks and removes key pinch-point hazards for workers. With up to 250% higher throughput, near 100% uptime and intelligent energy-saving control, it enables cleaner, safer and more efficient material-handling operations.



Product Carbon Footprint

Our Approach

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

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

LCA is a methodology for measuring and quantifying a product's end-to-end environmental and economic impacts. By examining each step in the product's life cycle, LCA considers how raw materials were extracted; which resources are consumed in planning or designing the product; material and energy use during manufacturing, packaging and distribution; impacts from using the product; and waste and pollution created throughout the process and at end-of-life. Specifically, our life cycle assessments encompass abiotic depletion, acidification potential, eutrophication potential, global warming potential, ozone layer depletion potential, photochemical ozone creation potential, ecotoxicity, human toxicity, primary energy demand and water consumption, throughout the entire life cycle.

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

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

Commitments and Targets

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

Performance in FY25/26

Since launching our first LCA/PCF/EPD project in FY22/23, we have made significant efforts to advance the use of product carbon footprints in our product design. So far, we have successfully quantified the product carbon footprints of more than 130 products, representing approximately 3% of our total sales. This covers motor platforms and actuators, including our cooling fan module motor, oil pump, water pump, actuator, window lift motor, sunroof motor, and permanent magnet DC brushed motors. This has allowed us to propose comprehensive decarbonization plans to our customers.

Based on the insights gleaned from this strategic approach, we have undertaken various reduction strategies to minimize our product carbon footprints. These include avoiding carbon-intensive materials and manufacturing processes, adopting 100% renewable energy in our manufacturing operations (as available and feasible at each site), sourcing sustainable materials and incorporating low-carbon and recycled materials in plastics and metals.

130+

products' carbon footprint quantified

Additionally, we have implemented design changes to incorporate more lightweight components, such as replacing die-cast components with stamped parts.

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

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

Product Quality and Product Safety

Our Approach

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

Safe Product Releases

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

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

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

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

Customer and Regulatory Quality Assurance

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

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

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

A list of the certificates held by our entities can be found on page 228 to 231 of this report.

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

List of Key Product Quality and Safety Certificates

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

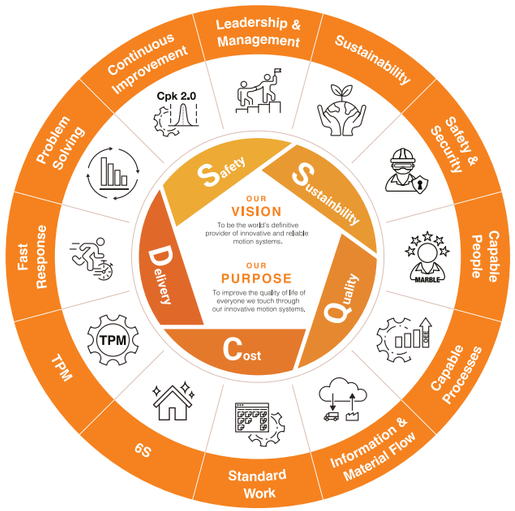
* Selected model number or series only

Continuous Improvement

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

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

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



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

Quality Excellence

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

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

Customer Feedback Handling System

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

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

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

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

Recall and Traceability

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

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

Commitments and Targets

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

Performance in FY25/26

In FY25/26:

- There were zero product safety and non-compliance incidents, and zero recalls of products sold or shipped due to health and safety reasons
- The number of customer complaints as a ratio of sales reduced 11% compared with the previous year
- There was a 9% reduction in internal defect costs related to in-process failure as a ratio of sales, compared with previous year

In line with our commitment to "quality first" and operational excellence, we made significant progress over the past year in enhancing quality and operational efficiency. Our goal is to achieve zero quality defects by continuously improving our processes to meet a Cpk goal of 2.0, while systematically providing high-quality end-to-end performance through the Johnson Electric Production System.

-11%

number of complaints as a ratio of sales

-9%

internal defect costs as a ratio of sales

These commitments are supported by our ongoing strategy of automation and digitization. We are actively transitioning from manual manufacturing systems to automated processes, integrating IoT sensors for real-time process monitoring and in-process quality checks, and eliminating non-value-adding activities. This enables machines to provide immediate data on equipment performance and manufacturing conditions, facilitating the real-time identification and resolution of potential issues and ensuring optimal quality performance and manufacturing efficiency.

We are also committed to delivering the benefits of the latest technological advances in automation and digitization to our customers. By leveraging our in-house manufacturing technology capabilities, we can reduce the lead time from contract award to delivering off-tool samples for product validation, thus accelerating start-of-production timelines. We are integrating machine learning and artificial intelligence to develop built-in quality solutions that replace human inspection with automated vision systems and closed-loop quality control.

In 2025, we held several regional and global workshops to share best practices and discuss opportunities and challenges in implementing lean automated manufacturing. These workshops resulted in five-year action plans for each of our manufacturing locations.

A key element of our operational roadmap is the ongoing training and development of our workforce. New technology demands new skills, which will require us to retrain our existing workforce and prepare the next generation for a fully digital world where machines operate in a "lights off" environment. We are fully prepared to embrace this challenge and opportunity. Through the JE Technical College and JE Baccalaureate Program, we maintain a steady pipeline of well-trained, highly skilled technicians entering the workforce each year.

As we develop our digitization and automation initiatives, we remain focused on reinforcing fundamental manufacturing principles and practices. This includes continually emphasizing the role of fast-response action teams in responding to quality issues while maintaining proactive layered process audit (“LPA”) discipline. These teams quickly address production issues using data-driven insights, with visual dashboards simplifying complex data for rapid decision-making. LPAs ensure adherence to our internal quality standards, reinforcing our culture of "quality first" and operational excellence throughout the organization.

Material Management and Use

Our Approach

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

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

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

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

Commitments and Targets

Our targets include:

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

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

Providing Returnable Packaging for Shipments to Customers

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

Since 2020, we have provided returnable packaging for shipments to eight customers in Liuzhou, Shanghai, Shenzhen, Wuhan, Wuxi, Yantai, Guangzhou and Zhejiang, China. This initiative avoided the use of 1,540 tonnes of packaging materials in 2025, representing 36% increase from last year.

1,540

tonnes of packaging material avoided

Management of Risks Associated with the Use of Critical Materials

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

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

Critical material	Type of risks	Strategies to mitigate the risk(s)
Steel	• **Geopolitical tension**: Supply concentration in specific regions makes steel vulnerable to political conflict and export restrictions • **Mergers and acquisitions**: Industry consolidation can disrupt supply reliability, pricing, and availability due to ownership or restructuring changes • **Regional pricing volatility**: Prices fluctuate across regions, affecting manufacturing cost and profitability • **Sustainability regulation**: Increasing requirements to reduce emissions and improve energy efficiency may require new investments and process changes	**Bifurcation and localization:** Diversify and localize steel sourcing to reduce dependency on single regions • Explore alternative suppliers to strengthen supply resilience • Source across multiple regions to limit exposure to price swings • Use electric arc furnaces and recycled scrap to improve sustainability and reduce reliance on traditional production
Resins	• **High-grade polymer cost**: Advanced polymers offer superior performance but significantly raise manufacturing costs • **Sustainability requirements**: Regulations on emissions and recyclability may force adoption of new resin types or additional investments in more sustainable processes	• **Strategic supplier development**: Build strong supplier relationships and evaluate alternative sources for cost, reliability, and quality • **Material substitution**: Replace costly high-grade polymers with commodity plastics where performance allows • **Recycled resin collaboration**: Work with suppliers to develop recycled resin to support sustainability and reduce reliance on virgin materials
Rare earths	• **Resource concentration**: Rare earths used in magnets are geographically concentrated, increasing risk during export changes or trade disputes • **Geopolitical tension**: Tariffs or conflicts affect availability and pricing • **High cost of heavy rare earths**: Limited supply drives price volatility, raising magnet and product costs • **Rising demand from electrification**: EVs and renewable energy increase demand, causing potential shortages and supply uncertainty	• **Value analysis/value engineering**: Identify alternative materials or designs that reduce rare earth dependence • **Reduce heavy rare earth use**: Optimize magnet compositions to lower heavy rare earth content • **Non-rare earth alternatives**: Invest in emerging magnet technologies not reliant on rare earth metals

Environment

We promise to protect the environment for future generations.



In 2025, Johnson Electric reached the historic milestone of 100% renewable electricity use across our entire footprint, affirming our role as a global industry leader in the transition to a low-carbon future. As a result, Scope 2 emissions fell by 99.7% against the FY22/23 baseline. Combined with our continued progress in reducing waste and water intensity, this extraordinary achievement demonstrates Johnson Electric's commitment and capability when it comes to translating ambition into action – qualities recognized by our first EcoVadis Gold Medal.

Laurent Cardon
SVP, Global Operations

Main Topics and Key Highlights

We are ranked in the top 1% of our industry* for environmental performance by EcoVadis

Energy & Climate

- **99.7%^ reduction** in Scope 2 carbon emissions from FY22/23 baseline, far surpassing our near-term Scope 2 target of a 65% reduction by FY34/35
- Achieved **100%** renewable electricity usage, up from 83% the previous year. Increased overall renewable energy usage to 83% from 69% the previous year

Waste

- Achieved zero waste to landfill# across the Group for the fourth consecutive year
- **20% reduction** in hazardous waste intensity per sales from FY20/21 baseline, achieving our 20% reduction target
- **3% reduction** in waste intensity per sales from FY20/21 baseline

Water

- **24% reduction** in water withdrawal intensity per sales from FY20/21 baseline
- **18% reduction** in water consumption intensity per sales from FY20/21 baseline

* Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus
^ The residual Scope 2 emissions were attributable to district heating and steam
\# "Zero waste to landfill" refers to at least 99% of generated waste being diverted away from landfill

Our Approach

We are deeply committed to protecting the environment for those who come after us, ensuring that our children and grandchildren have a healthy planet on which to thrive.

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

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

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

Board Oversight

The Board of Directors of Johnson Electric provides oversight of climate-related risks and opportunities and ensures that sustainability is fully integrated into the Group's strategic objectives. It continually strengthens directors' skills and competencies through training on climate action and leverages their sustainability expertise to inform and enhance decision-making.

The Board receives regular updates from the Group's sustainability management team, as well as reports from the Audit Committee. It delegates to the Audit Committee responsibility for monitoring and assessing sustainability-related issues and evaluating the nature and extent of associated risks, so as to ensure adequate risk management and internal controls. The Audit Committee provides oversight and review of the Group's sustainability practices and disclosures, and reports its findings to the Board.

The Board approves the Group's major sustainability targets, such as carbon emissions reduction goals, while the management team sets other targets and reports to the Audit Committee regarding target definition, assignment of responsibility, and progress. The Audit Committee provides oversight to the Board, with overall progress monitored through regular reporting.

Management Execution

Execution of the Group's sustainability initiatives is led by the Social Impact and Sustainability Committee ("SISC"), chaired by an Executive Director and Executive Vice President, and comprising senior leaders from Global Operations, Corporate Engineering, Supply Chain Services and other key departments. The SISC drives implementation through regular meetings and progress updates and embeds sustainability priorities and goals into the strategic plans of all business units.

The Group's management ensures a consistent enterprise-wide approach to sustainability, including climate-related issues, by implementing a global Environment, Health and Safety ("EH&S") management system with standardized programs and procedures; conducting regular risk assessments and scenario analyses; integrating sustainability performance into risk management and strategic decision-making; and using feedback loops and continuous improvement processes to refine climate risk management.

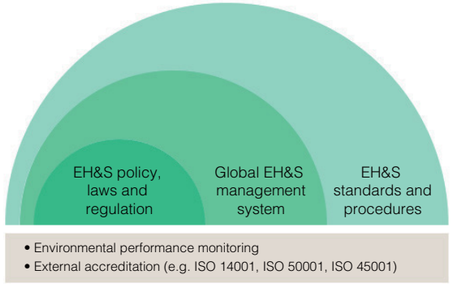
Environment, Health and Safety Policy

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

- Considered in all decisions we make
- Integrated in the design of our new and modified facilities, products and processes
- Subject to monitoring and continuous improvement

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

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



Global EH&S Management System

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

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

We are currently in the process of comprehensively revising our EH&S management system procedures to strengthen governance and clarify procedural ownership. For each updated procedure, a corresponding internal audit checklist has been developed. All sites will be required to conduct internal audits by the EH&S department using these standardized checklists to ensure consistent implementation.

In addition, a training program has been established for each updated procedure. This ensures that all relevant employees receive consistent and comprehensive training, supporting effective integration of the updated EH&S management practices across the organization.

Environmental Compliance

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

- Monitoring key environmental performance indicators
- Auditing environmental performance as well as compliance with new and existing regulations
- Including environmental compliance as part of our annual corporate governance review of internal controls and risk management

Environmental Performance Monitoring

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

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

ISO 14001 and ISO 50001

Our local sites continue to optimize energy conservation across buildings and operations by adopting established best practices in energy efficiency. Each site is encouraged to maintain an energy conservation taskforce or committee to support ongoing performance improvement.

100% of our manufacturing sites are certified to the ISO 14001 Environmental Management System standard. In addition, 15% of our manufacturing sites, including our largest facilities in Shajing and Jiangmen, China, and Niš, Serbia, are certified to the ISO 50001 Energy Management System standard. These sites account for 54% of the Group's total energy consumption.

We continue to identify, share and adopt leading energy management practices across all operating sites to ensure that effective strategies and technologies are implemented consistently throughout our global operations.

100%

of manufacturing sites hold ISO 14001

Environmental Awareness and Training

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

1,340+

hours of environmental training in FY25/26

Green Plant Initiative

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

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

Biodiversity

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

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

Energy and Climate

Our Approach

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

Our emissions reduction targets were developed in accordance with the Science Based Targets initiative (SBTi) absolute contraction methodology and were formally approved by SBTi in 2024. Crucially, we also align our approach with our customers' strategies and support them to achieve their own low-carbon goals.

Commitments and Targets

- 59% reduction in absolute Scope 1 GHG emissions by FY34/35 from a FY22/23 baseline
- 65% reduction in absolute Scope 2 GHG emissions by FY34/35 from a FY22/23 baseline
- 35% reduction in absolute Scope 3 GHG emissions by FY34/35 from a FY22/23 baseline
- 15% reduction in intensity per sales of purchased energy consumption in our operations by 2030 from a FY19/20 baseline

Our SBTi Approved Targets

By FY34/35
(Baseline: FY22/23)

Scope 1: **-59%**
Scope 2: **-65%**
Scope 3: **-35%**

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

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

BUSINESS AMBITION FOR 1.5°C

Previous renewable energy target:

- Using 100% renewable energy across all operations by 2025, as available and feasible for each site

New renewable energy target:

- Maintaining 100% renewable electricity use, as available and feasible for each site
- Pursuing 100% renewable energy across all operations by FY34/35, as available and feasible for each site

During the fiscal year, we achieved 100% renewable electricity use across our operations. Overall, renewable energy accounted for 83% of total energy consumption.

The remaining non-renewable energy sources – natural gas, steam, liquified petroleum gas, gasoline, diesel, and district heating – currently lack feasible or available renewable alternatives. Despite these constraints, we continue to explore viable options to reduce dependence on non-renewable energy, including the potential use of renewable natural gas. We have also made progress by transitioning to electric models for many of our forklifts and company vehicles and purchasing renewable thermal certificates in our Americas sites.

In light of the current limitations in transitioning non-electric energy sources to renewable alternatives, we have revised our renewable energy target to: "Pursuing 100% renewable energy across all operations by FY34/35, as available and feasible for each site." The revised target year aligns with our near-term science-based targets.

Notwithstanding this revision, we remain committed to increasing our use of renewable energy wherever possible and will continue to pursue opportunities to reduce reliance on non-renewable sources.

We remain committed to minimizing our climate impact and advancing toward carbon neutrality and net-zero. To support this ambition, we have established science-based carbon-reduction targets for FY34/35, actionable implementation plans, and transparent reporting practices.

While progress toward net-zero within the automotive industry – particularly with respect to Category 11 (use of sold products) – is significantly influenced by national renewable electricity policies that are largely beyond our direct control, we remain aligned with our customers' carbon-neutrality and net-zero objectives. We continue to engage collaboratively with customers, where requested, to support the development and implementation of joint carbon-neutrality and net-zero initiatives across all relevant scopes within specific entities.

Performance in FY25/26

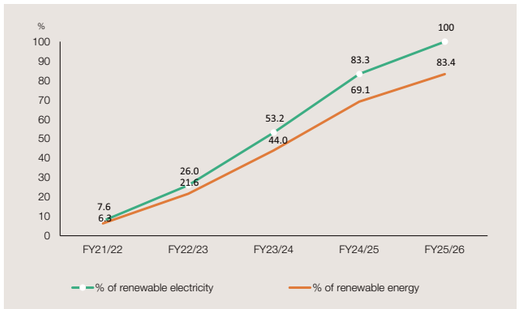
Scope 2 emissions and renewable energy

This year, we achieved a 99.7% reduction in Scope 2 carbon emissions compared with our FY22/23 science-based target baseline. Having already exceeded our near-term target of a 65% absolute reduction by FY34/35 last year, we again delivered reductions far beyond this threshold this year.

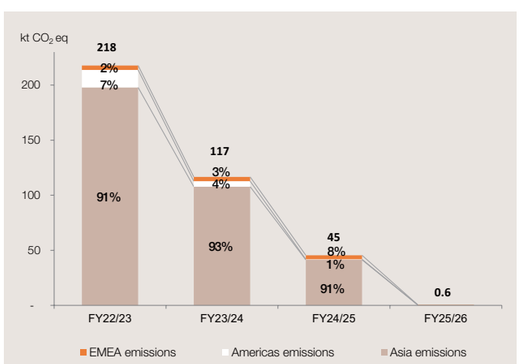
-99.7%

Scope 2 emissions from FY22/23 baseline

Percentage of renewable electricity and energy



Scope 2 carbon emissions



In addition, we expanded renewable electricity sourcing throughout our operations. This was the primary driver of the substantial reduction in Scope 2 emissions achieved during the year. All electricity consumption now comes from renewable sources, up from 83% in the previous fiscal year. In terms of total energy consumption, the share of renewable energy reached 83%, up from 69% last year.

100%

Use of renewable electricity globally

Our renewable electricity portfolio includes electricity supplied directly by local utilities, power purchase agreements (PPAs), renewable electricity certificates and on-site solar generation.

Our largest facility in Jiangmen, China, now has solar panels with an annual output of approximately 4,000 MWh, representing 2% of its electricity consumption. At our Murten, Switzerland site, solar panels produce around 140 MWh annually, supplying 1% of site demand. Solar panels have also been installed at our Zacatecas, Mexico site. Through a PPA, these panels are expected to generate roughly 1,000 MWh per year, covering 8% of the site's electricity consumption.

At our Hong Kong manufacturing site, solar panels have been installed to support an on-site electric vehicle charging station, and rooftop panels are connected to Hong Kong's feed-in tariff program. Our office in Dresden, Germany is also equipped with rooftop solar panels that supply 10% of the site's electricity consumption.



Solar panels at Asti, Italy site

In FY25/26, we made further progress in expanding our on-site solar capacity. Additional solar panels were installed at our Asti, Italy manufacturing site, providing approximately 400 MWh of renewable electricity annually, equivalent to 5% of the site's total electricity consumption.

We also purchased 1,413 MWh of renewable thermal certificates for our sites in the United States and Canada, sourced from verified biomethane projects. This represents around 3% of our total natural gas consumption in the Americas region. We recognize these as environmental attribute purchases that support methane capture and the development of low-carbon fuel markets. These purchases help to avoid methane emissions from waste streams, drive investment in climate-positive infrastructure and contribute to real-world decarbonization beyond our own operational boundaries.

Scope 1 emissions

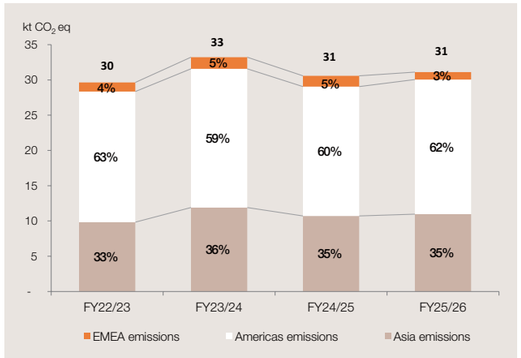
Despite implementing several Scope 1 emissions reduction initiatives in FY25/26, including enhanced refrigerant leak controls, replacing LPG-powered forklifts with electric models, and improving natural gas efficiency, our Scope 1 emissions increased by 6% compared with the FY22/23 baseline. This increase was primarily driven by higher natural gas consumption at our Canadian sites due to production expansion.

Our facility in Hirson, France has replaced natural gas with biomethane since 2024 and our R&D site in the United Kingdom switched from natural gas to biomethane gas in June 2025.

Over the long term, we are also exploring the feasibility of transitioning our existing natural-gas-fired furnaces to electric alternatives to further reduce our Scope 1 emissions.

It should be noted that, under our SBTi-validated target, we are required to achieve an absolute reduction of 142 kilotonnes of Scope 2 emissions by FY34/35 from FY22/23 baseline, consistent with a 1.5°C decarbonization pathway. In FY25/26, we delivered an absolute reduction of 217 kilotonnes from baseline, surpassing the required reduction by 75 kilotonnes. This is equivalent to four times the Scope 1 reduction milestone required by FY34/35.

Scope 1 carbon emissions



Energy intensity

Although we implemented multiple energy-saving initiatives during the year, our energy intensity in FY25/26 was 7% higher than the FY19/20 baseline.

This increase was primarily driven by the expansion of our automatic production lines, which increased energy consumption as they replaced manual processes. Our operations also involve a high degree of vertical integration: we manufacture most of our components in-house, including plastic injection parts, stamped and die-cast metal parts, magnets, and powder-metal components. This approach helps reduce product-level carbon footprints by minimizing transportation needs and enabling more efficient use of production capacity. However, bringing these energy-intensive "metal-bashing" processes into our own facilities significantly increases our total on-site energy use. As a result, meeting our energy-intensity targets remains particularly challenging.

Despite these operational realities, we remain strongly committed to responsible production and climate action. We will continue investing in solutions that enhance our long-term energy performance.

Scope 3 emissions

Our Scope 3 GHG emissions have been prepared in accordance with ISO 14064-1:2018 *Greenhouse gases Part 1* and the Greenhouse Gas Protocol.

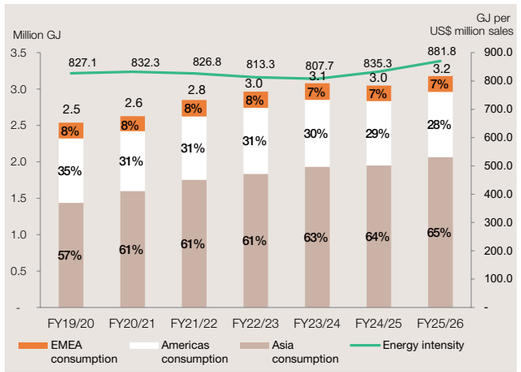
In FY24/25, total Scope 3 emissions within the target boundary (Categories 1 and 11) decreased 6% compared to the FY22/23 baseline. This reduction was attributable to lower emissions in both Category 1 (purchased goods and services) and Category 11 (use of sold products). We continue to make steady progress towards our FY34/35 goal of a 35% reduction in Scope 3 emissions.

Assessment of our FY25/26 performance is in progress and will be disclosed in the next sustainability report.

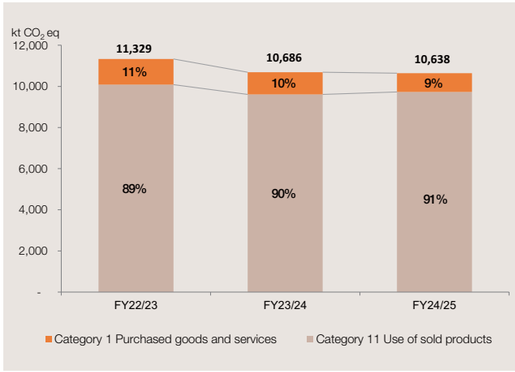
-6%

Scope 3 emissions in FY24/25

Energy consumption and intensity



Scope 3 carbon emissions



Category 1: Purchased goods and services

Category 1 encompasses the cradle-to-gate upstream emissions associated with the extraction, production, and transportation of goods purchased by Johnson Electric. Emissions from purchased services were excluded, as their contribution was assessed to be minimal. Most of our purchased goods consist of raw materials, such as steel, aluminum and plastics, measured using data sourced directly from our internal supply chain database. Emissions were calculated by applying material-specific emission factors to the corresponding purchased weights. Where weight data was unavailable, we estimated emissions using a spend-based extrapolation approach. The emission factors applied were sourced from supplier-specific emission factors, the Sphera Solutions GaBi database and the US Environmentally Extended Input-Output (USEEIO) database. We identified several emission hotspots within this category: namely, steel accounted for 31% of emissions, plastics for 16%, aluminum and zinc for 8%, wire and metal rods for 4%, and magnet wire for 5%.

In FY24/25, we achieved a 27% reduction in Category 1 emissions compared with our FY22/23 baseline. This significant improvement was driven by a 14% decrease in total spending on purchased goods, the adoption of updated GaBi emission factors which lowered the reported emissions for high-impact materials, including steel (-17% in the average emission factor), aluminum/zinc (-10% in the average emission factor), and plastics (-16% in the average emission factor), and the increased use of supplier-specific emission factors. During the year, we integrated data from 25 suppliers, covering approximately 30% of total Category 1 emissions, substantially enhancing the accuracy of our calculations. While core raw materials such as steel, plastics, aluminum/zinc, wire/metal rod and magnet wire remained our primary Category 1 emission sources, enhanced data quality and material-level insights enabled more targeted reduction strategies.

Looking ahead, we will continue to expand supplier engagement to increase the availability of primary emission factors and replace extrapolated data with actual material-weight data wherever possible.

Category 11: Use of sold products

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

To assess these emissions, we collected primary data on the lifetime energy consumption of our products and the total volume sold in each region, using the maximum expected lifetime in our calculations. In the FY24/25 calculation, we updated our assumption regarding the distribution of our automotive products by vehicle type: 13.6% of our automotive products are now assumed to be installed in electric vehicles (up from 10%), while 86.4% are assumed to be installed in internal combustion engine vehicles (down from 90%). Emission factors were sourced from Sphera LCA for Experts, the International Energy Agency (IEA), and the Intergovernmental Panel on Climate Change (IPCC). For emissions related to grid electricity in Asia, we applied a weighted average of country-specific grid electricity emission factors, based on Johnson Electric's sales distribution in the region.

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

We identified several hotspots within this category in FY24/25: namely, the powertrain cooling system accounted for 54% of emissions, followed by the powertrain motor drive at 19% and chassis motor drive at 8%. To reduce our emissions, we will focus on enhancing the energy efficiency of our top products, increasing the granularity of data to identify further improvement opportunities, and boosting the percentage of products installed in electric vehicles while capitalizing on the benefits of a greener grid.

In FY24/25, our Category 11 emissions were 4% lower than the FY22/23 baseline: powertrain motor drive emissions fell by 4% as a result of a 6% decline in units sold, while ventilation emissions dropped by 75% following a 31% decrease in sales volumes.

Environmental Disclosure

We publish our annual sustainability report and participate in the CDP. In 2025, we obtained a 'B' score in our climate change and water security assessments.

CDP Discloser 2024

'B' score in both climate change and water security

Participation in China's Carbon Emissions Trading Scheme

Our Shajing manufacturing site has participated in China's carbon emissions trading scheme since 2013. This scheme covers both Scope 1 and Scope 2 emissions. The site currently holds surplus carbon credits that can be traded at the Shenzhen Emission Trading Centre.

Climate-linked Remuneration

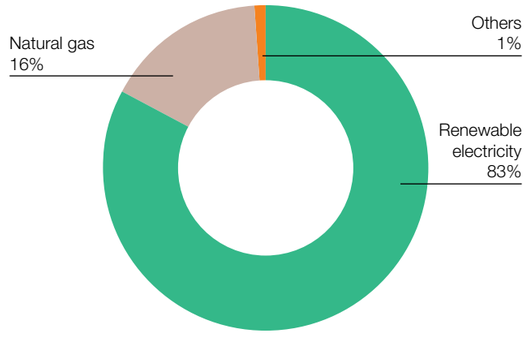
Climate-related considerations are integrated into our remuneration structures, including those of management and Executive Committee members, through incentives targeting Scope 1 and 2 carbon emissions reduction. Approved by the Remuneration Committee, these schemes align with the Group's strategic objectives and are regularly reviewed to meet evolving sustainability standards and business needs.

Our Energy Profile

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

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

Energy Consumption by Source



Energy and Climate Projects

China

Partnering with i2Cool*, we have successfully applied iPaint and iFilm to more than 10,000 square metres of surface at our Jiangmen manufacturing plant.

iPaint — Passive Radiation Cooling Coating

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

iFilm — Passive Radiation Cooling Film

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

The double-transparent design of the iFilm series offers superior solar radiation blocking, effectively reducing a significant percentage of solar heat while allowing higher light transmission, reducing reliance on air conditioning, lowering energy consumption and costs, and contributing to a stable and comfortable indoor environment.

Energy Saving

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

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



Simulation of the wall surface with iPaint & iFilm

Mexico

At our facility in Zacatecas, we have installed solar tubes to enhance indoor illumination. These solar tubes harness natural sunlight, reducing the need for electric lamps during the day. As a result, we can turn off more than 250 electric lamps.

In FY25/26, we also installed solar-powered lamps to light the manufacturing site at night.



Solar tubes



Solar light

France

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



Canada & the US

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



Energy leak detection at Canada site

Italy & Serbia

Our sites in Niš, Serbia and Asti, Italy have replaced fluorescent lighting with LED lighting in production areas. This has helped reduce lighting-related electricity consumption by more than 50%.



LED light installation at Niš, Serbia

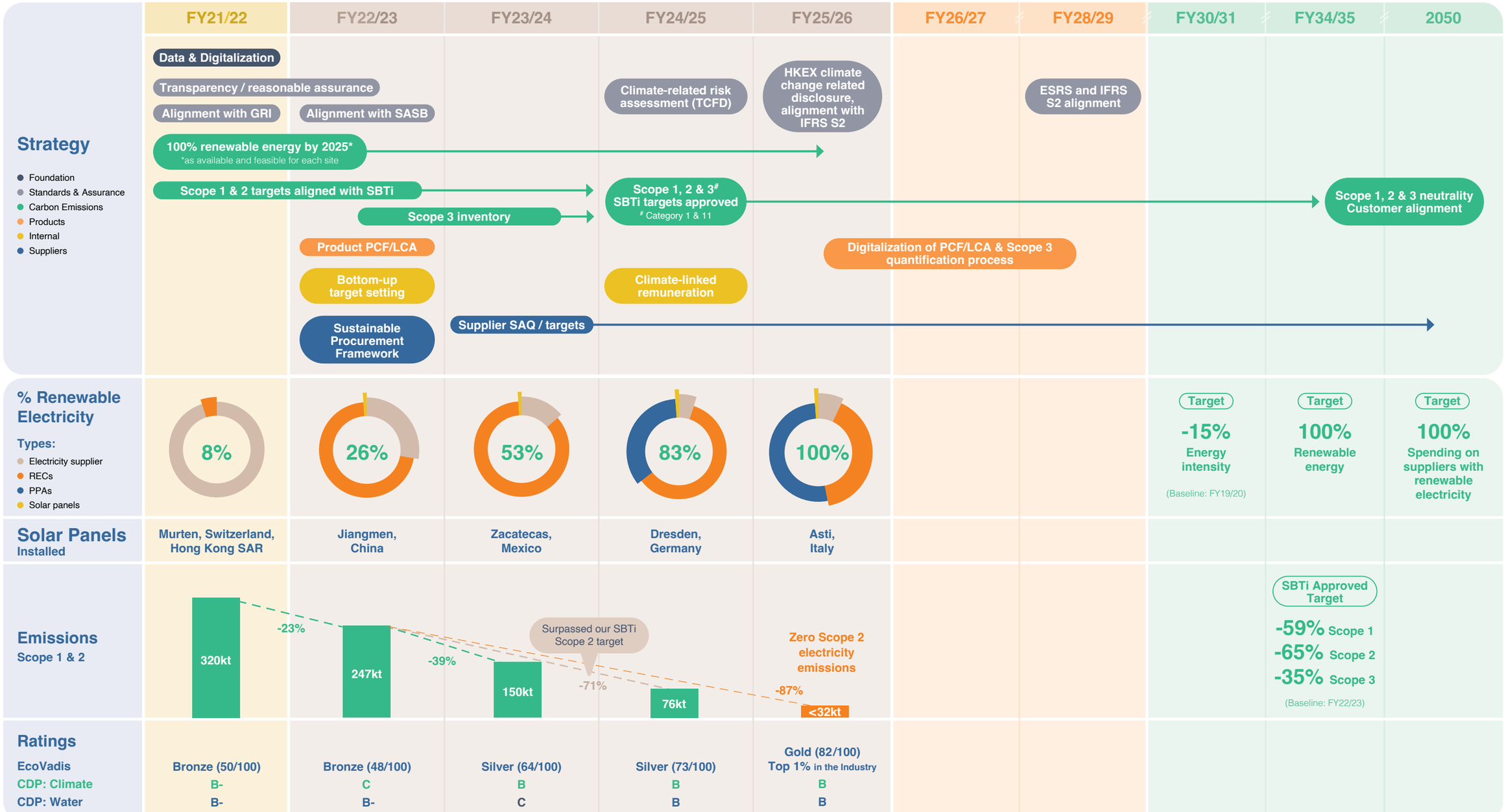
Italy

By retrofitting select systems to lower global warming potential (GWP) refrigerants, strengthening preventive maintenance to minimize circuit leaks and failures, conducting root-cause analysis of every detected leak followed by site-wide corrective actions, and continuously monitoring circuits using electronic-nose leak detection for early intervention, our Asti site has systematically reduced refrigerant loss and enhanced system integrity. Refrigerant-leak emissions saw a 62% reduction compared with the same period in 2024, while operational reliability and compliance were improved.



Energy and Climate

Johnson Electric's Climate Action / Decarbonization Roadmap



Energy and Climate

Progress towards Key Targets

	Target	FY22/23 Baseline	FY23/24	FY24/25	FY25/26	FY34/35 Target
Scope 1 (t CO_2 eq.)	59% reduction in absolute Scope 1 GHG emissions by FY34/35 from FY22/23 baseline	29,642	33,211	30,923	**31,355 (+6%)#**	12,153
Scope 2 (t CO_2 eq.)	65% reduction in absolute Scope 2 GHG emissions by FY34/35 from FY22/23 baseline	217,788	116,602	45,433	**585 (-99.7%)#**	76,226
Scope 3* (t CO_2 eq.)	35% reduction in absolute Scope 3 GHG emissions by FY34/35 from FY22/23 baseline	11,329,130	10,686,188	10,638,128 (-6%)#	Assessment in progress	7,363,935

	Target	FY21/22 Baseline	FY22/23	FY23/24	FY24/25	FY25/26	FY34/35 Target
Renewable electricity	Maintaining 100% renewable electricity, as available and feasible for each site	8%	26%	53%	83%	**100%**	100%
Renewable energy	Pursuing 100% renewable energy across all operations by FY34/35, as available and feasible for each site^	6%	22%	44%	69%	**83%**	

	Target	FY19/20 Baseline	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26	FY30/31 Target
Energy intensity (GJ/US$ million of sales)	15% reduction in intensity per sales of purchased energy consumption by 2030 from FY19/20 baseline	827.1	832.3	826.8	813.3	807.7	835.3	**881.8 (+7%)#**	703.0

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

\# Compared with baseline

^ Replaced original target of using 100% renewable energy across all operations by 2025, as available and feasible for each site

Waste

Our Approach

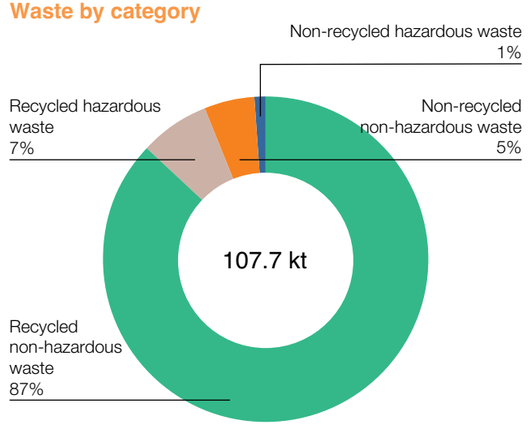
Reducing waste is an important part of our overall efforts to improve our environmental impact. To reduce waste at source, we seek to limit our material consumption by:

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

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

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

Waste by category



Commitments and Targets

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

We have adopted new targets for FY26/27. Our previous targets (FY20/21 to FY25/26) were:

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

Our new targets for FY26/27 are:

- Maintaining zero waste to landfill* across the Group and improving practices at sites which have not yet achieved zero waste to landfill
- Reducing total waste intensity per sales generated by 5% compared to FY25/26
- Reducing hazardous waste intensity per sales generated by 2% compared to FY25/26
- Zero significant# instances of waste-related non-compliance with laws and regulations

-20%

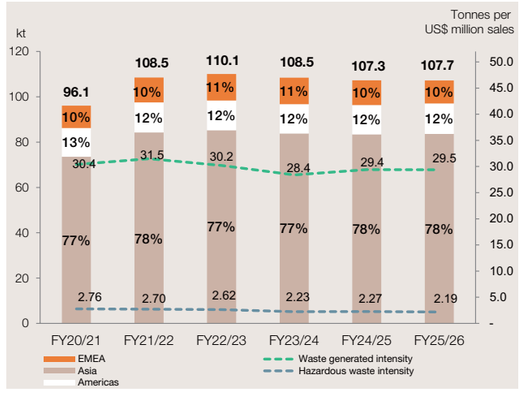
hazardous waste intensity vs FY20/21 baseline, **achieving our 20% reduction target**

Performance in FY25/26

During the reporting period:

- We sent zero waste to landfill* across the Group for the fourth consecutive year
- Hazardous waste intensity per sales decreased by 20% compared with FY20/21 baseline, achieving our target of a 20% reduction by FY25/26
- Waste intensity per sales decreased by 3% compared with FY20/21 baseline. While steady progress has been made through the implementation of waste reduction initiatives across our global operations, performance remains behind the FY25/26 waste reduction intensity target. This is primarily attributable to the ongoing transition of several sites from manual processes to automated production lines. During the upgrade and commissioning phases, incremental waste has been generated as a result of process trials, equipment validation and temporary operational inefficiencies. These impacts are considered transitional in nature. As automation stabilizes and process optimization activities are completed, waste generation is expected to normalize
- There were no significant# instances of waste-related non-compliance with laws and regulations

Waste generated and intensity



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

\# Refers to fines over USD100,000

Waste Projects



Automated assembly line

Shanghai, China

A waste-reduction project focusing on process optimization and production stabilization was successfully implemented in 2025. Manual operations were upgraded to automated lines, auxiliary material use was reduced and the preventive maintenance of equipment was strengthened.

The causes of any defects are promptly tracked through daily management routines, enabling rapid corrective actions and continuous product quality improvement.

As a result of these measures, scrap generation was significantly reduced, with the waste intensity of scrap circuit boards decreasing by 11% compared with the previous year.

Będzin, Poland

An e-waste collection campaign was organized in conjunction with Earth Day in April 2025. Employees were invited to bring old phones, computers, small appliances and other electronic devices for responsible recycling. In total, 100 kg of e-waste was collected and sent to STENA for recycling.



E-waste collection campaign poster

Vandalia, United States

A waste audit identified an opportunity to reduce landfill waste by replacing individual trash cans with centralized stations and recycling bins. Centralized stations encourage more mindful disposal, as users are prompted to consider sorting their waste when presented with clearly visible recycling options alongside landfill bins.



Waste audit at Vandalia site

Shajing, China

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



Hazardous waste management system equipment

Water

Our Approach

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

The majority (87%) of our water withdrawal was for domestic use in our dormitories and for hygiene facilities in our manufacturing plants and offices. Only 12% of our water withdrawal was utilized for manufacturing processes.

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

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

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

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

Commitments and Targets

We have adopted new targets for FY26/27. Our previous targets (FY20/21 to FY25/26) were:

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

Our new targets for FY26/27 are:

- Reducing water withdrawal intensity per sales generated by 3% compared with FY25/26
- Reducing water consumption intensity per sales by 4% compared with FY25/26
- Zero significant# instances of water-related non-compliance with laws and regulations

Performance in FY25/26

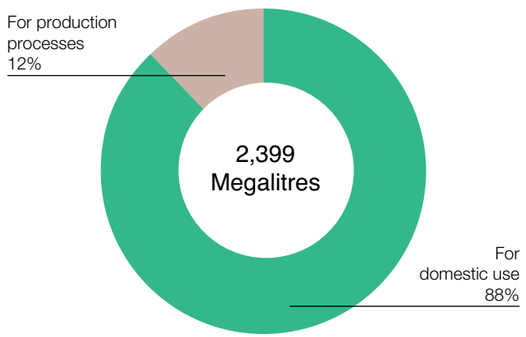
During the reporting period:

- Absolute water withdrawal intensity per sales dropped 24% compared with FY20/21 baseline
- 97% of our water withdrawal was in countries with no or low water stress*
- Water consumption intensity per sales reduced by 18% compared with FY20/21 baseline
- There were no significant# instances of water-related non-compliance with laws and regulations

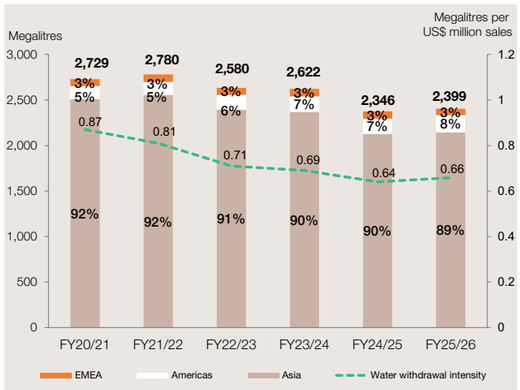
-24%

water withdrawal intensity vs FY20/21 baseline

Water withdrawal, by utilization method



Water withdrawal and intensity



\# Refers to fines over USD100,000

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

Water

Water Projects

Izmir, Türkiye



A water-efficiency upgrade to this site's deionization system has enabled 50% of previously discharged oily coolant wastewater to be reused. By installing a new recirculation system, the site now avoids discharging more than 2,400 m³ of wastewater annually, a 36% reduction in water withdrawal compared with last year.

Jiangmen, China

A water-reuse initiative was implemented to reduce freshwater consumption by recycling and reusing wastewater from grinding and ball-milling operations. Treated process-wastewater is reused for toilet flushing, lowering reliance on municipal water.

To maximize impact, additional water storage tanks and pipeline pumps were installed in 2025, enabling the recycled water system to be expanded across the buildings.



Rooftop installation of a new water storage tank and renovation of pipeline infrastructure to support wastewater reuse

Shajing, China

This site has implemented targeted water-efficiency initiatives to reduce freshwater withdrawal and promote reuse. Since 2021, a water-saving project related to shaft production has reintegrated wastewater into manufacturing processes, delivering an annual savings of over 43,800 m³ and reducing water withdrawal for a specific production line by 65% through process improvements, enhanced monitoring and robust engineering controls.

In addition, a new water-recycling system was installed in July 2025, incorporating sand and carbon filtration, ultrafiltration and reverse-osmosis technologies. This produces recycled water of higher quality than tap water and enables direct reuse in production workshops. Site water withdrawal intensity fell 3% year-on-year in FY25/26.



Reverse osmosis treatment on wastewater

Shanghai, China

Several water-saving initiatives have now been implemented at this site, saving more than 20,000 m³ of water annually. This represents 15% of the site's total water withdrawal. Initiatives include reusing nickel-containing wastewater after advanced wastewater treatment, reusing concentrated water from the pure water preparation system, reusing water from copper plating in the copper cleaning process and reusing water from anti-oxidation and sandblasting process.

On-site wastewater monitoring devices are used to continuously monitor chemical oxygen demand (COD) and ammonia concentrations, ensuring compliance and effective process control.



Wastewater monitoring devices in Shanghai, China

Emissions

Our Approach

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

- Implementing pollution control technologies: installing and maintaining pollution control technologies such as scrubbers, filters and catalysts to capture and treat emissions, thus removing or neutralizing pollutants before they are released into the atmosphere
- Conducting emission monitoring and reporting: regularly tracking air pollutant levels, ensuring compliance with regulatory requirements and identifying areas for improvement, including mandatory monthly emissions reporting and third-party auditing
- Carrying out maintenance and inspection: regularly inspecting and maintaining equipment, machinery and emission control systems to ensure optimal performance and address any leaks, malfunctions or inefficiencies, with a view to preventing excessive emissions and maintaining emission standards compliance
- Ensuring regulatory compliance: keeping informed of environmental regulations and standards related to air emissions and complying with all relevant emission limits, reporting requirements and industry or region-specific regulations

Commitments and Targets

Our emissions targets include:

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

Performance in FY25/26

During the reporting period:

- Air emissions levels at all operating sites were maintained below the permitted emissions levels
- Our non-carbon dioxide emissions are mainly volatile organic compounds ("VOCs") from glues used in product assembly and solvents used for parts cleaning, injection moulding and ink printing. Despite a 12% increase in VOC emissions compared with last year, our VOC emissions remain below permitted levels. We have taken steps to reduce VOC emissions by eliminating their use in certain processes, substituting inks and cleaning solutions with lower VOC alternatives, and implementing exhaust gas emission control systems. In 2025, our Vandalia, United States site fully eliminated the use of Amsolv across all processes, delivering a 30% reduction in VOC emissions at the site
- There were no significant* instances of air emissions related non-compliance with laws and regulations



In 2025, our Shajing, China plant replaced six UV systems with activated carbon, further enhancing VOC emissions reduction

* Refers to fines over USD100,000

Employees

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



Last year brought intense competitive pressures, but above all it reinforced the central role that our people play in our success. Rapid advances in automation, digitalization and AI are reshaping how we work and the capabilities our roles require. At the same time, we've expanded our product portfolio into warehouse automation and humanoid robotics, opening up exciting new opportunities for our employees to apply their skills in emerging high-tech fields. **To meet the challenges of tomorrow, we're continually equipping our people with the training, experience and leadership development they need to grow and succeed as roles evolve.** This continued investment in talent at every level bolsters our ability to navigate a fast-changing environment.

Christian Moeller
SVP and Chief Human Resources Officer

Main Topics and Key Highlights

We are ranked in the **top 8%** of our industry* for labour and human rights by EcoVadis

Health & Safety

- **30% reduction** in lost-time accidents from last year
- Lost-time accidents rate was 78% below industry average, and recordable injury rate was 84% below industry average
- **22% increase** in near-miss reports and **34% increase** in hazard reports from last year
- Wellbeing: more than **22,400** employees participated in our blood pressure monitoring program

Talent Attraction & Retention

- **85%** of senior management roles placed internally
- More than **60%** of the 2024 L.E.A.D. (Lead, Engage, Accelerate, Develop) program participants already hold Director-level roles or have since been promoted to the Director level

Diversity, Equity & Inclusion

- Achieved **15%** female representation in senior management, meeting our FY25/26 target

Training & Development

- Over **600** employees took part in JEDi, our Digital Transformation Champions program

Communication

- Launched the AI Trailblazer Award, with more than **45** projects recognized for AI innovation

Labour Rights

- **Zero** cases of child labour and forced labour, achieved through several measures

* Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus

Our Approach

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

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

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

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

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

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



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



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



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

Health and Safety

Our Approach

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

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

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

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

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

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

Health and Safety Governance

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

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

EH&S Policy

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

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

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

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

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

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

EH&S Management System

Our Environmental, Health and Safety management system comprises a set of common programs, procedures and standards applied across all sites and covering both employees and contractors. The system is aligned with internationally recognized frameworks, including ISO 14001 (Environmental Management Systems), ISO 45001 (Occupational Health and Safety Management Systems), ISO 50001 (Energy Management Systems), and relevant corporate social responsibility standards.

The EH&S management system provides structured processes to identify, assess and manage environmental impacts, health hazards and safety risks associated with product development and manufacturing activities. It also establishes clear objectives and targets to address significant risks and impacts, incorporating feedback from employees, contractors, communities, customers, suppliers and other stakeholders. This ensures that environmental protection and employee health and safety remain overriding priorities across our operations.

Consistent with the World Health Organization’s definition of a healthy workplace, our approach emphasizes continuous improvement through collaboration between management and employees. While guided by global standards, the system is implemented locally through site-specific EH&S management systems. Local teams are responsible for monitoring performance, addressing issues promptly, and sharing lessons learned across the global network.

Operating across multiple locations, our EH&S management system sets global standards while ensuring compliance with local regulations. All Johnson Electric manufacturing sites are required to apply this system, supporting our goal of zero accidents and a safe, secure working environment.

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

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

In FY24/25, we achieved a significant 28% reduction in lost-time accidents (“LTA”) compared with FY23/24, bringing the number of cases down to 76, with our LTA rate 64% lower than the industry average.

In FY25/26, we continued this positive momentum, reducing LTAs by an additional 30% compared with FY24/25, with our LTA rate 78% lower than the industry average.

This progress reflects the strong commitment of all our employees to safety prevention, particularly through the active identification and resolution of safety alerts. With over 1,700 safety alerts addressed every month (more than 50 per day), this proactive culture is making a measurable impact.

However, even one accident is one too many. To drive further improvement, we launched a phased and comprehensive review of our existing EH&S management system in 2025 as we transition toward a new EHS Operating System.

The objective is to enhance operational effectiveness and ensure stronger alignment with the departments responsible for interacting with and owning these procedures. While robust EH&S procedures are essential, their effectiveness depends on consistent implementation by the respective process-owner departments.

Each department team is now contributing to the development of updated procedures and will take responsibility for their implementation.

ISO 45001

79% of our manufacturing sites are certified to ISO 45001, representing 92% of employee hours worked.

92%

of sites by hours worked certified to ISO 45001

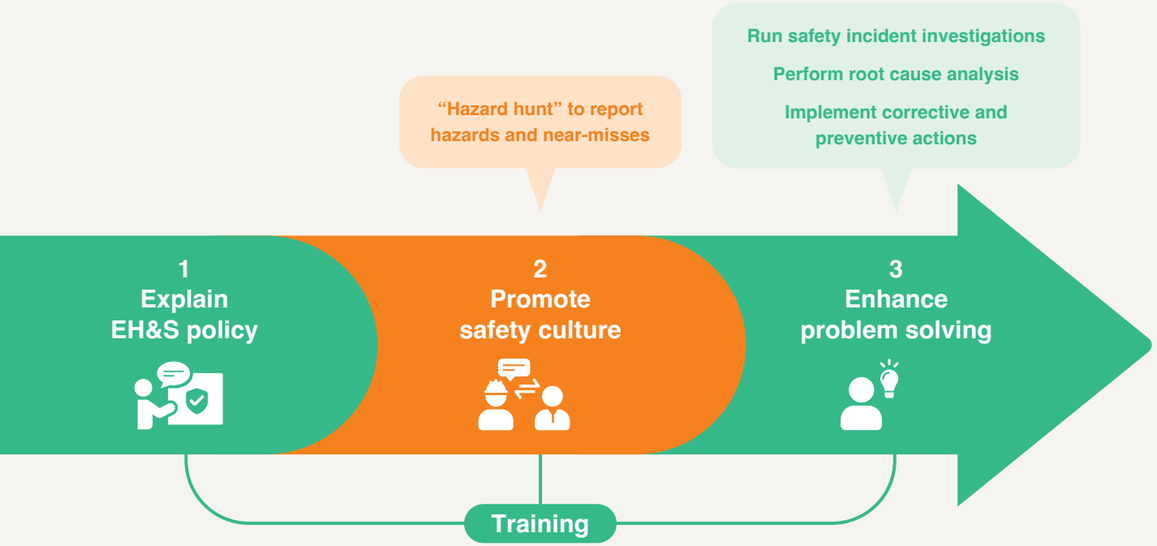
Health and Safety Compliance

In FY25/26, there were no significant* instances of non-compliance with health and safety laws and regulations. Compliance is ensured through our global EH&S management system and local regulatory requirements, supported by internal EH&S audits, regulatory tracking, and formal site-level accountability. Annual third-party surveillance and certification audits provide independent assurance.

* Refers to fines over USD100,000

Health and Safety

Our Occupational Health and Safety Culture Program



Occupational Health and Safety Culture Program

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

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

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

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

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

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

Our Safety Pyramid

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

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

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

Commitments and Targets

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

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

	FY22/23	FY23/24	FY24/25	FY25/26	FY25/26 vs FY24/25
Fatalities	0	0	0	0	–
Lost-time accidents	93	105	76	53	-30%
Recordable injuries	171	190	155	114	-26%
First aids	419	383	495	417	-16%^
Near-misses	782	1,096	1,348	1,640	+22%^
Hazards	7,227	10,295	15,945	21,345	+34%^

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

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

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

- Zero fatalities
- Zero lost-time accidents: continuously improve and reduce the number of LTAs year-on-year, in pursuit of our ultimate target of zero LTAs
- Recordable injuries: continuously improve and reduce number year-on-year
- First-aid injuries: continuously improve and reduce number year-on-year
- Near-miss: increase the number of near-misses communicated by 12% by FY26/27 compared with FY25/26
- Hazards: increase the number of hazards communicated by 5% by FY26/27 compared with FY25/26
- Safety pyramid: monitor the year-on-year improvement of each level of the safety pyramid, as well as the pyramid as a whole, to indicate the health and safety culture at each site, with the goal of maintaining its pyramid shape
- Incident investigation: focus on strong and effective incident problem-solving and "look-across" learning between all sites, to identify root causes and prevent recurrences

Performance in FY25/26

In FY25/26, there were:

- Zero fatalities
- 53 lost-time accidents, a reduction of 30% compared with the previous year. Our annual lost-time accident rate per 200,000 hours worked, according to the US Occupational Safety and Health Administration ("OSHA") definition, was 26% lower than the previous fiscal year

-30%

number of lost-time accidents from last year

- 114 recordable injuries, a reduction of 26% compared with the previous fiscal year. Our recordable injury rate per 200,000 hours worked was 21% lower than the previous year

-26%

number of recordable injuries from last year

- 1,640 near-misses communicated, a 22% increase compared with the previous year
- 21,345 hazards communicated, a 34% increase compared with the previous year

Significant advances in safety prevention culture from last year:

+22%

near-misses communicated

+34%

hazards communicated

In terms of the root causes of lost-time accidents, 31% were attributed to equipment design issues, while 29% were related to slips, trips, and falls. Adjustments made by operations personnel accounted for 25% of incidents. Actions developed in response include:

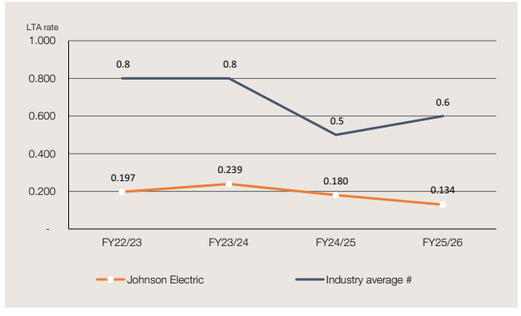
- Implementing anti-slip tapes and enhanced safety signage on all stairways and high-traffic pedestrian routes
- Launching safety awareness campaigns specifically targeting the prevention of slips, trips and falls
- Deploying updated machine safety and lockout/tagout (LOTO) procedures to ensure standardized hazardous energy control across all operations
- Global sharing of lessons learned through our "incident cycle of learning" to prevent recurrence across all sites

Although one accident is always too many, both our lost-time accident rate and recordable injury rate remain very low compared to the industry average#. Our lost-time accident rate in FY25/26 was 78% lower than the industry average and our recordable injury rate was 84% lower than the industry average.

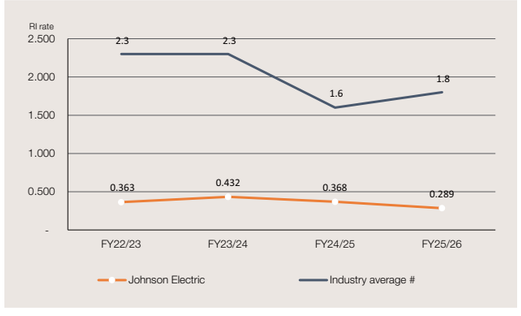
The more that safety alerts are identified and communicated by all employees, the better our safety culture and the more prevention opportunities we have.

With over 22,000 hazards and near-misses identified and communicated annually by our workforce, we are increasingly confident that we have a workplace environment where each employee feels comfortable and empowered to speak up about safety.

Lost-time accident rate^



Recordable injury rate^



Source: U.S. Bureau of Labor Statistics, incidence rates of nonfatal occupational injuries and illnesses by industry and case types for motor and generator manufacturing (NAICS code 335312). Our FY25/26 performance is compared to the 2024 industry averages, the most up-to-date information available at the time of producing this report

^ Per 200,000 worked hours

Health and Safety

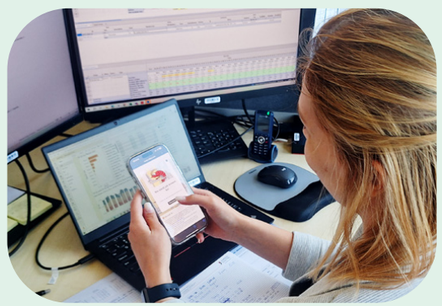
Case Study

Leveraging Artificial Intelligence to Enhance Occupational Health and Safety

We continue to strengthen our commitment to creating safer, healthier and more resilient workplaces by integrating artificial intelligence ("AI") into occupational health and safety practices.

AI Tool for Workplace Ergonomics

AI is playing a growing role in workplace ergonomics. In Będzin, Poland, the Ergo Walk program introduced digital tools, including the TuMeke AI tool, to help office employees improve their posture and daily ergonomic habits. Using standard smartphone cameras, TuMeke analyzes body movement, maps joint angles and evaluates ergonomic risk based on established methodologies such as the Rapid Office Strain Assessment. The system provides objective, real-time insights and automated recommendations for workstation adjustments.





Employees in Będzin using the TuMeke AI tool

AI Chatbot for Incident Investigation and Procedure-related Questions

One of our most impactful initiatives has been the development of an internal AI chatbot designed to support employees during incident investigations and provide instant guidance on EH&S procedures. By drawing on internal knowledge sources, the chatbot helps teams explore potential root causes, identify gaps and develop more complete corrective actions. In addition, we uploaded our occupational health and safety procedures into the system, allowing employees to receive accurate answers to procedure-related questions at any time, reducing delays and supporting consistent application of safety standards.

AI Systems for Safer Production Operations

AI supports several layers of advanced safety monitoring across our production facilities.

In our Jiangmen, China and Będzin, Poland sites, forklifts are now equipped with cameras that enable AI-based collision avoidance through real-time human detection and object recognition. These systems dynamically adjust warning zones based on distance parameters, providing operators with timely alerts and significantly reducing blind-spot risks.

In addition, the Jiangmen, China site has implemented an AI-enabled electronic fence to enhance robotic arm safety. AI-powered cameras continuously monitor hazardous zones, and if a person's head or shoulders enter a protected area, the robotic arm automatically stops – shifting safety from passive protection to active prevention.

In Będzin, Poland, our in-house "What See" AI system adds another layer of vigilance by detecting falls, tipped carts and other unusual activities that may indicate emerging hazards. When detected, automated email alerts are immediately sent to designated personnel, enabling rapid response.



"What See" AI system in Będzin, Poland to detect falls, tipped carts and other unusual activities



AI-enabled electronic fence in our Jiangmen, China production site to enhance robotic arm safety.



Forklifts in Będzin, Poland and Jiangmen, China equipped with cameras that enable AI-based collision avoidance through real-time human detection and object recognition

Safety Alert Digitalization

In FY25/26, we enhanced our safety alert system through the global rollout of the SafetyCulture digital reporting tool, enabling employees to submit safety alerts easily by scanning a QR code. Each alert is linked to corresponding follow-up actions, ensuring timely resolution and accountability. Safety alerts are reviewed regularly during operational review meetings to support continuous improvement. To enhance visibility, we developed a Power BI dashboard that provides real time insights into the number of alerts submitted, outstanding actions, and overall closure performance across our operations.

Machine Safety

Every machine used across Johnson Electric's global operations must meet all applicable national and local regulatory requirements. Our machine safety compliance program defines the roles, responsibilities and processes needed to ensure alignment with these standards. To support consistent implementation, we have established a comprehensive Machine Safety List of Requirements (LOR) that applies to both existing equipment and new machine purchases. All machine suppliers are required to follow these specifications, which include design-stage safety verification, on-site supplier safety inspections, and formal safety acceptance testing upon equipment arrival.

In FY25/26, we strengthened our approach by revising and updating our machine safety procedures, enhancing the safety checklist used during machine sign-off, and improving the audit checklist for machine safety assessments. We also developed and delivered updated training modules to all relevant employees, ensuring that teams across our global sites are equipped with the knowledge needed to maintain a safe and compliant working environment.

Machine safety initiatives were implemented at our Shajing and Jiangmen sites in China to address recurring finger injuries caused by residual equipment pressure. To mitigate this risk, the Maintenance and EH&S teams jointly developed an automatic pressure-relief upgrade by installing safety relays and solenoid valves, ensuring that air supply is cut off whenever machine doors are opened. With an investment of USD750,000, more than 1,400 devices were retrofitted to significantly enhance their intrinsic safety.

Manual Handling

We place strong emphasis on employee safety during manual handling operations by implementing adequate controls to minimize or eliminate injury risks.

A preliminary risk assessment is conducted for manual handling operations to identify potential hazards.

Hazardous manual handling operations are avoided whenever possible. We provide relevant information and training on manual handling to our employees to ensure they have the necessary knowledge and skills.

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



Exoskeletons have been introduced in one of the assembly workstations at our site in Asti, Italy

Personal Protective Equipment

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

Chemical Management

We comply with local and national regulations for safe chemical handling, storage, use, and disposal.

Task-specific risk assessments are conducted, and regulatory requirements for notification, authorization and storage are followed. Adequate facilities and equipment are obtained before starting chemical operations.

Chemicals are stored in designated areas, categorized according to national standards. Storage quantities are controlled, and clear labelling is mandatory. Material safety data sheets are available in each storage area. Qualified personnel handle chemical transportation, and employees receive proper training. Measures are implemented to prevent pollution and manage chemical waste. Special procedures and response materials are available for chemical spill incidents.



Chemical spill training at our Shanghai, China site

Emergency Preparedness and Response

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

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

In FY25/26, more than 2,100 employees received first-aid training.

Health and Safety Training and Communication

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

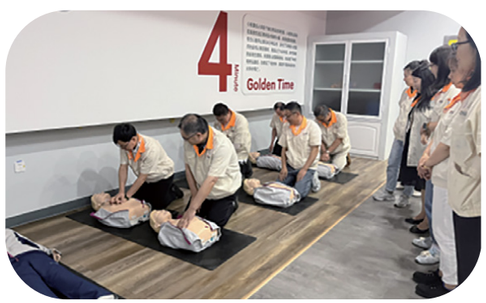
All employees shall complete health and safety training as part of the orientation program for new employees. Office-based employees complete their training via our corporate learning management system, while manufacturing operators are trained by appropriate supervisors.

19,500+

hours of health and safety training



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



First-aid training in Wuxi, China

Contractor Management

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

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

Lock-out Tag-out

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

In FY25/26, we updated and standardized lockout/tagout procedures across our global operations. The revised program includes an updated corporate operating procedure, enhanced guidelines and revised forms, including the lockout authorized list and lockout placard. Improved audit checklists have also been introduced to support consistent verification at the site level. To reinforce staff competency, an updated online LOTO training module was launched, ensuring all relevant employees understand both the practical requirements and their personal responsibilities for maintaining a safe work environment.



Lock-out/tag-out in Jiangmen, China

Safety and Wellbeing Month

In FY25/26, we delivered our global Safety and Wellbeing Month campaign under the theme "All Together for Safety." More than 110 activities were organized across our sites worldwide, strengthening safety awareness and wellbeing. Highlights included first-aid and emergency response training, hazard hunts, health screenings, mental health seminars and fitness challenges. Interactive activities such as safety trivia and online quizzes also drove strong engagement.

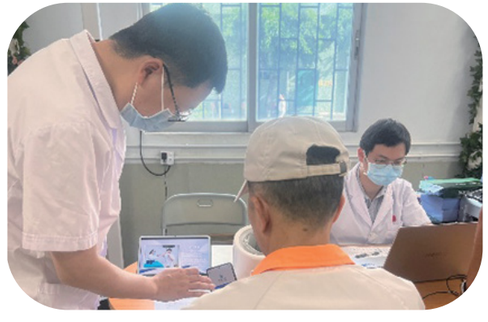
Our Wellbeing Program "Healthy@JE"

Our Healthy@JE program promotes holistic employee wellbeing across physical, mental, social, environmental and occupational dimensions. The program aims to foster a culture that enhances employees' health, engagement and overall fulfilment while reducing absenteeism and improving productivity.

In Jiangmen, China, on-site programs such as "Healthy Smart Canteen", which offers meals with calorie and nutrition information, support employees in making healthier day-to-day choices.

In Niš, Serbia, the "SupportRoom" digital wellbeing mobile application has been introduced for employees, providing 24/7 access to therapy, coaching, wellness resources, health tracking tools and community support to enhance employees' mental and physical wellbeing.

We also continued to carry out a blood pressure monitoring program across all sites to help identify hypertension early and reduce the risk of serious cardiovascular health issues. In FY25/26, more than 22,400 employees participated in the program.



Voluntary lung health check-up for more than 480 employees in Shajing, China

Talent Attraction and Retention

Our Approach

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

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

- Talent and capability reviews
- Appointments to senior roles
- Succession planning for key positions
- Development of senior high-potential individuals through job rotation, job expansion, promotion, transfer and executive coaching
- All major training and development initiatives, including related key performance indicators such as training hours per employee, internal promotion rate, and percentage of positions with available "ready now" and "ready soon" internal successors

Talent Management and Development

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

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

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

We offer a range of impactful talent development programs and initiatives with a focus on Johnson Electric's strategic priorities. This includes leadership development programs that support leaders at different stages of their management careers, which in turn cultivates our talent pipeline. The percentage of participants promoted after attending these programs is used as an indicator of program effectiveness.

Performance Management

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

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

Career Development

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

In FY25/26, we refreshed our career development policy to further empower employees to take ownership of their career growth. Employees are supported with a range of development tools, skills-building programs, and stretch assignment opportunities.

All open positions are posted on our career website, our internal employee portal, and relevant external job boards to ensure broad visibility for both internal and external candidates. All employees are eligible to apply for internal opportunities, and we follow a consistent and transparent assessment process.

Internal mobility remains a key element of our talent strategy. In FY25/26, approximately 60% of managerial vacancies were filled through internal promotions. Notably, internal promotions to director-level positions increased significantly, rising from 68% in FY24/25 to 89% in FY25/26, an 21% increase, reflecting a strengthened leadership pipeline and sustained investment in internal growth.

Commitments and Targets

We have set a target of more than 55% of managerial and senior positions to be filled internally in FY25/26 and in all future years.

Performance in FY25/26

From October 2024 to September 2025, we achieved a 57% internal promotion rate for managerial and senior positions, meeting our annual target and reflecting our commitment to developing internal talent.

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

In FY25/26, 89% of key roles had a succession plan in place, including 95% of general manager or vice-president roles and above.

The success of our targeted approach to talent development and succession planning is evidenced by the many examples of internal appointments to key leadership roles across all regions. In FY25/26, 85% of our senior executive positions were filled internally (up from 76% last year), including 100% of general manager and vice president roles (up from 80% last year).

89%

of key roles have succession plans in place

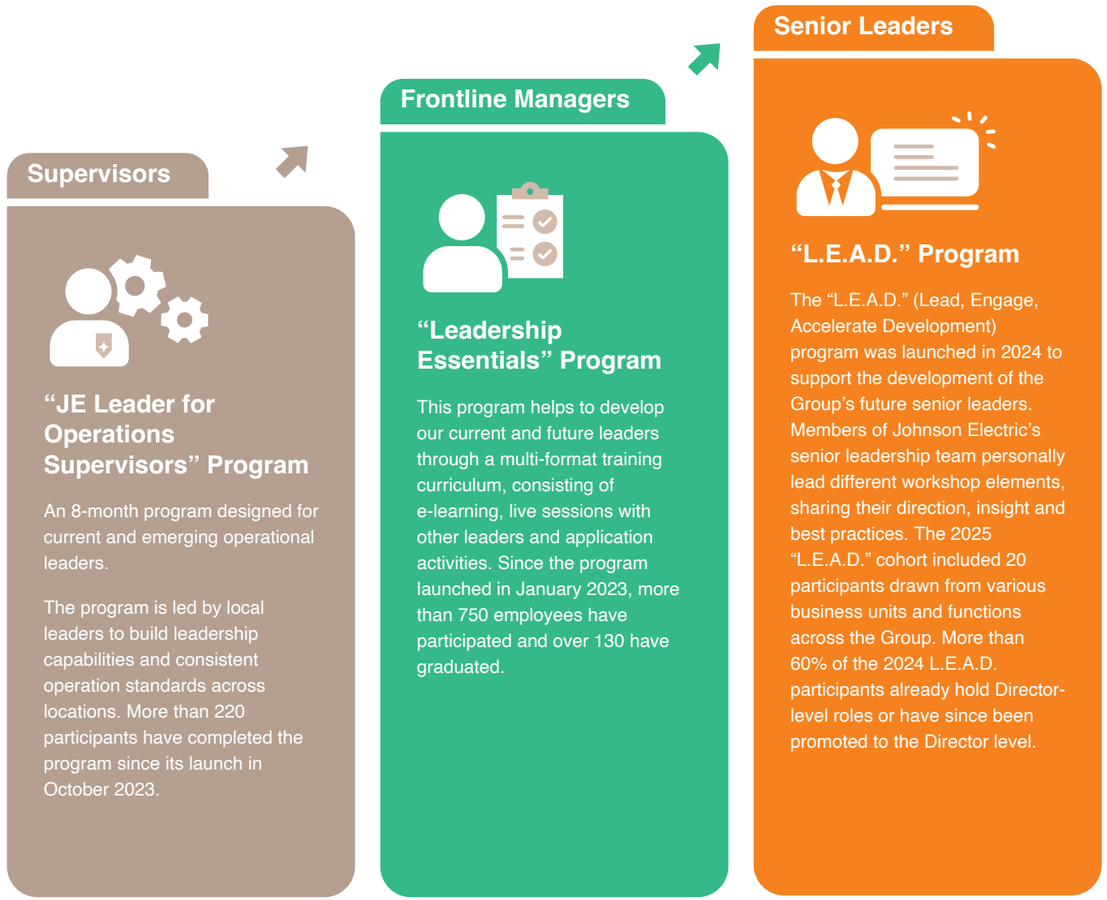
85%

of senior management roles placed internally

Talent Attraction and Retention

FY25/26 Leadership Development Programs

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



Engineering International Assignment

In 2023, we launched the “Engineering International Assignment” initiative, which aims to promote cross-regional collaboration and knowledge sharing between Johnson Electric’s engineering teams through special projects. To date, 22 engineers from across the organization have participated in the program, which lasts between 12 to 24 months.

In October, global participants in our Engineering International Assignment in China gathered in our Shajing site to share their experiences of the program with senior executives. China-based engineers who had recently completed the program in other countries also attended the event and spoke passionately about what they learned overseas and how it enabled their personal growth.



Global Leadership Meeting

The Global Leadership Meeting 2025 brought together global leaders to align on key priorities, reinforce “JE On Time”, and celebrate outstanding achievements. Participants engaged in strategy discussions, recognized project excellence through the “Move the Needle” Award, and strengthened connections through team activities, including the “JE Soccer World Cup” and Healthy@JE initiatives. The insights shared will guide our collective future progress.



Global Leadership 2025 held in Jiangmen, China

Talent Attraction and Retention

JE Tech Days

“JE Tech Days” have been held in Asia, Europe and the Americas since 2023 to embrace and encourage innovation. Asia Tech Day 2025 was held in June in Jiangmen, China. This remarkable event brought together 178 engineers from across Asia, along with international representatives from 11 countries. It served as both a celebration of technological achievement and a platform for innovative collaboration.

During the event, Patrick Wang (Chairman and Chief Executive), Austin Wang (Executive Director and Executive Vice President), and Ray Qin (Senior Vice President, Corporate Engineering) highlighted the importance of our business model and toolbox, cost leadership, speed and availability of supply, excellent execution, and technological innovation. Their speeches set the tone for the event, inspiring participants to embrace these core pillars of success.



Group photo of Asia Tech Day 2025 in Jiangmen, China





There were 55 showcases at Asia Tech Day 2025, demonstrating significant innovations from various departments and product lines. These exhibits highlighted the cutting-edge developments taking place across the organization.

Training and Development

Our Approach

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

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

The Johnson Electric Learning Institute sets the global direction for all employee learning, development and reskilling activities across our entire organization.

Global learning steering committee meetings include representatives from all regions, who guide and shape policies and practices, and decide the focus of learning and development programs. A strong network of learning and development teams in major locations supports this, delivering local learning programs in response to business priorities and talent requirements.

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

770+

technical trainees participated in the Johnson Electric Baccalaureate program

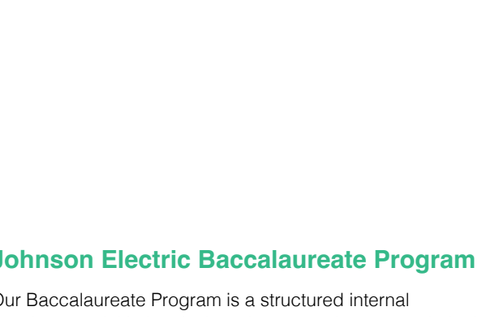
Johnson Electric Baccalaureate Program

Our Baccalaureate Program is a structured internal development initiative designed to strengthen our technical capabilities and support digital transformation and automation. It adopts a blended learning model that integrates e-learning instructor-led workshops on advanced technologies, and on-the-job practical training.

The program continues to expand across Johnson Electric sites globally, providing participants with exposure to a diverse range of the Group's operations as well as overseas assignment opportunities. In FY25/26, more than 770 technical trainees participated, with 152 graduating during the year. The program plays a critical role in building a future-ready technical workforce.

Apprenticeship Programs

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



Our team in Niš, Serbia was honoured with the award for Best Internship Program at the Empple Festival 2025



Johnson Electric Baccalaureate 2025 class opening and graduation ceremony, held in Jiangmen, China

"Learning in Motion" Learning Platform

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

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

JE's Digital Transformation Champions Program

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

Participation increased significantly in FY25/26, rising to more than 600 employees. This includes approximately 100 employees who joined last year, along with many more recruited this year through enhanced efforts by business leaders and local leadership.

600+

employees participated in the JEDi program

Learning Month

Digital tools for transformation was the focus of our 2025 Learning Month, where we deployed a range of global initiatives to provide all employees with tools, resources and activities for driving efficiency through digitalization and the use of artificial intelligence. We also conducted a global AI webinar led by senior leaders and drove a measurable increase in the use of our "JE Chatbot" AI tool.

Commitments and Targets

We have set specific targets for training and development:

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

Performance in FY25/26

- We continued to focus on function-specific training, launching new programs for a variety of business units including operations, IT, supply chain, business development, human resources and engineering
- We launched new environmental health and safety training programs across all manufacturing locations to strengthen employees' knowledge of updated safety and environmental standards. We also established "EH&S University" for employees in EH&S roles, offering six in-depth modules covering general EH&S, sustainability, hazardous energy control, machine safety, corporate audits, and incident investigation
- We greatly enhanced our ability to develop instructionally sound e-learning courses using artificial intelligence. This has allowed us to rapidly deploy effective training on critical functions and address immediate needs
- We were recognized by the 2025 LinkedIn Talent Awards for AI-driven learning excellence

Diversity, Equity and Inclusion

Our Approach

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

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

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

Creating an Inclusive Environment

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

Family-friendly Initiatives

We support employees at every life stage through family friendly policies, flexible work arrangements and programs that strengthen work-life balance. A global work from home policy and a wide range of parental, caregiving and childcare benefits are available across our major locations. Our housing programs in Zacatecas, Mexico and Jiangmen, China continue to positively impact employees and surrounding communities, while additional benefits, such as education allowances and school supply donations, reinforce our commitment to family wellbeing.

In 2025, we further expanded our local support to employees and their families. In China, employees received housing and relocation assistance, school enrolment support, counselling services, and opportunities to involve their families in events such as the Junior Engineer program and Family Open Day. Family recognition initiatives celebrated employees and their families during corporate events.

Globally, sites introduced additional family-oriented programs, including:

- Hungary: Employees donated school supplies to support colleagues’ children
- Italy: Employees received kindergarten fee support and family-inclusive health insurance coverage
- Germany: An expanded benefits program included kindergarten fee support

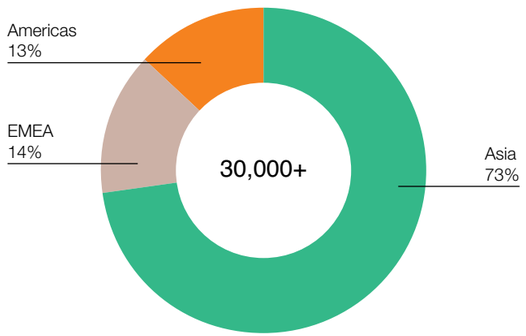


More than 50 employees and their family members participated in the Family Open Day 2025 in Jiangmen. The event featured a facility tour and parent-child activities designed to strengthen employees’ sense of belonging.

Strengthening Our Diversity

We recognize the importance of understanding different cultural needs when shaping policies and practices, while also aiming to create a “One Johnson Electric” operational ethos for all regions.

Global workforce



Our employees’ diverse cultural and national backgrounds enrich our social fabric. Over 35 nationalities are represented in Johnson Electric’s workforce, with 73% of our employees coming from Asia, 14% from Europe, Middle East, and Africa (“EMEA”) and 13% from the Americas.

35+

nationalities across our global workforce

Global Diversity Awareness Month

Global Diversity Awareness Month brings employees together to celebrate the cultures, identities and perspectives that make Johnson Electric unique. In October 2025, we launched a series of global activities that highlighted the value of inclusion and belonging, including an AI-powered card design challenge, a global celebration video, and leadership dialogues.

Female Engineers Employee Resource Group

Our Female Engineers Employee Resource Group continued to provide development support and create a community for female employees working in engineering and technical roles.

In FY25/26, three global webinars were attended by more than 390 participants. In addition, multiple sites coordinated local activities involving our employees, with some expanding to include local communities and universities.

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

Female Development Program

In 2024, we launched the Female Development Program to provide targeted support, mentoring opportunities and resources to help our female employees overcome the unique challenges and barriers they may face in the workplace, as part of our broader commitment to promoting gender equality and providing a supportive network for our female colleagues to reach their full potential and achieve their career goals.

In 2025, more than 40 employees participated in the 9-month program, which comprised workshops, mentoring, personality assessments and executive panel discussions.



Global Diversity Awareness Month 2025 in our India site

Diversity, Equity and Inclusion

Female Talent Reviews

In addition to our annual talent review, we conduct biannual female talent reviews that identify high-potential female employees and support them to work with their managers to craft career development plans. Over the past two years, the promotion rate of female employees has remained at 20% or above, meaning that one in five promoted employees was female.

20%+

female promotion rate

Fair and Non-discriminatory Recruitment Process

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

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

Commitments and Targets

We are committed to creating an inclusive workplace for all and aim to be an employer of choice for women. We have established a target of increasing female representation in senior leadership to 15% by the end of FY25/26, and maintaining this level for FY26/27.

Performance in FY25/26

In FY25/26, women made up 37% of our workforce, 20% of our managerial positions and 15% of our senior leadership. As such, we achieved our target of 15% female representation in our senior leadership.

15%

female representation in senior management, **achieving our FY25/26 target**

The FY25/26 global MARBLE employee engagement survey results showed a small increase, from 71% to 72%, in employees' perception that the organization strongly embraces diversity and inclusion by cultivating a supportive and inclusive environment.

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

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

Communication

Our Approach

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

One Johnson Global Celebration

One Johnson Global Celebration is our annual event that brings together employees around the world to honour teamwork, shared achievements and our collective culture. The 2025 celebration, held in Jiangmen, China, welcomed nearly 4,000 employees on-site and featured performances by colleagues from multiple locations in China. Senior management also joined employees onstage to perform "We Are the World", symbolizing unity and collaboration.

A spectacular light show featuring 200 drones lit up the Jiangmen night sky and highlighted the event theme, "Creating Our Future Together." Multiple livestream sessions attracted a cumulative 50,000 views, making it a truly global moment of connection. The event also recognized employee contributions through Long Service Awards and the Chairman's Awards, reinforcing our culture of appreciation, creativity and teamwork.



One Johnson Global Celebration 2025 in Jiangmen, China



A joyful interaction between senior leaders and the company mascot – Mr. Motor



A spectacular light show featuring 200 drones lit up the Jiangmen night sky

Internal Communication Platform

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

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

Regular All-staff Meetings and Forums

Regular all-staff meetings are held across our major locations to keep employees closely informed of the Group's business performance and key project milestones. These sessions serve both as updates and open forums that strengthen transparency and shared purpose across the organization.

To further enhance communication, the company hosts online staff forums that cascade important business initiatives and encourage two-way dialogue. Over the year, employees across different time zones participated in interactive online forums and live chats covering topics such as time management, delegation, and leading cross-regional teams. These sessions created valuable spaces for leaders and employees to exchange perspectives, build capability, and stay aligned in a fast-moving global environment.

We also continue to foster an inclusive culture through tailored programs for female engineers. These dedicated platforms enable women in the organization to share experiences, broaden their networks and strengthen their professional development, supporting a more diverse and empowered engineering community.

Local Team Building Initiatives

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



Saori, a creative Japanese free-form weaving workshop, was held in Hong Kong in December 2025



JE Soccer World Cup Final held in Jiangmen, China in June 2025

Employee Engagement Survey

MARBLE Snapshot is a biennial global employee engagement survey that measures how employees experience their workplace and benchmarks those insights against external standards. It offers a confidential channel for colleagues to share their views, ensuring their feedback is heard and acted upon at both corporate and team levels.

In 2025, the survey reached more than 26,000 employees worldwide, including manufacturing operators, achieving a 76% response rate – nearly doubling participation from 2023. This latest cycle also introduced enhanced AI-enabled digital platforms to make it easier for teams around the globe to provide their feedback. Follow-up actions are now in progress.



Poster for MARBLE Snapshot employee engagement survey

Employee Recognition Programs

Employee recognition programs celebrate the achievements and contributions of employees worldwide, reinforcing a culture of innovation, excellence and continuous improvement.

This year marked the launch of the AI Trailblazer Award, a new monthly recognition program that honours employees who drive the adoption and advancement of artificial intelligence across the business. The award encourages the sharing of best practices, accelerates AI integration into operations, and highlights the strategic role of advanced technologies in strengthening our performance and sustainability. Since its introduction in June 2025, more than 45 projects have been recognized as AI Trailblazer winners, demonstrating strong momentum and ingenuity across our global teams.

AI Trailblazer Award

Complementing this new initiative, the monthly JEwel Awards continue to recognize outstanding projects and promote the sharing of best practices across the organization. In FY25/26, more than 220 winning projects and teams were celebrated for their impact, creativity, and contributions to operational excellence.

The Annual Chairman's Awards remain Johnson Electric's highest form of employee recognition, honouring exceptional performance and leadership in six categories: (1) technology advancement, (2) solutions innovation, (3) productivity improvements, automation and artificial intelligence, (4) social impact and community outreach, (5) safety, and (6) quality and improvements. These awards spotlight individuals and teams whose achievements advance the company's strategic priorities and values.

External Communication

Johnson Electric places strong emphasis on open, transparent and timely communication with external stakeholders. We engage audiences globally through our bilingual corporate website, company news updates, direct mailers, and six social media channels tailored to both Western and Asian markets.

This year, we launched the "We Are Ready for the FUTURE" corporate campaign, showcasing a key area of business focus each month to help stakeholders better understand Johnson Electric's strategic priorities and technology roadmap. The campaign highlighted developments such as our new robotic joint solutions, advanced ITMS thermal management systems for smart mobility, liquid cooling innovations, and other emerging technologies. These stories were shared across our global websites, newsletters and social media platforms, as well as through a new website specifically designed for audiences in China, further strengthening our regional outreach.

To enhance user experience and accessibility, we have also introduced an AI-powered chatbot on our official website and successfully hosted a livestream event showcasing our advanced motion solutions. Our communication efforts continued to emphasize corporate transparency, covering topics such as safety, sustainability, employee wellbeing, global job exchange programs and female leadership.

We also deepened community engagement by sharing employee stories and organizing JEnerations events and JBot STEM workshops. In addition, we maintain dedicated media channels and whistle-blower reporting mechanisms to ensure open, responsible and trustworthy communication with all stakeholders.



"We Are Ready for the FUTURE" video campaign for our Integrated Thermal Management System product

Labour Rights

Our Approach

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

Commitments and Targets

We are committed to maintaining zero child labour and forced labour in our value chain and within our own operations in FY25/26 and in all future years.

Child Labour, Forced Labour and Human Trafficking

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

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

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

Contract of Employment

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

Compensation and Rewards

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

For entry-level positions, we have established a tracking mechanism to ensure that remuneration and benefits comply with legal requirements and average living wages*, as stated in the refreshed Compensation and Benefits Policy.

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

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

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

Company Housing

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

Freedom of Association and Right of Collective Bargaining

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

We recognize the basic right of all employees to establish and join unions and employee representations in line with local laws and practice. Management will not discriminate based on lawful activities of trade unions and employee representatives. We also recognize the right to collective bargaining with bodies established following local laws and practice. Globally, more than 80% of our employees are represented by unions or employee representatives, covering nearly all our production and engineering sites.

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

Social Compliance and Human Rights External Audits

To ensure our human resources policies and procedures comply with legislative requirements and international standards, we engage independent external auditors to conduct social compliance and human rights audits at eligible sites.

Our global headquarters in Hong Kong was audited in FY23/24, confirming full compliance with human rights and employee health and safety requirements, with no significant incidents of non-compliance. Subsequent audits were completed at our Jiangmen plant in China in FY24/25 and at our Zacatecas plant in Mexico in FY25/26, with both sites also meeting all audit requirements and recording no significant findings.

Looking ahead, we will conduct the next social compliance and human rights audit at our Niš, Serbia plant in FY26/27.

Compliance

As part of our corporate governance framework, we continuously monitor compliance with our employment standards and all applicable labour laws and regulations.

At any time, employees can report potential breaches through our global whistle-blower hotline, which is available by phone or email and allows anonymous submissions. All reports are handled promptly and confidentially, with corrective and disciplinary actions taken when violations are confirmed. Retaliation against anyone raising concerns is strictly prohibited.

Every year, all human resources policies are reviewed and updated as part of the annual governance process. Regional and country HR teams must certify full compliance with these policies and with relevant labour laws and regulations as part of internal controls and risk management assessment. Managers, at-risk employees, Executive Committee members and all staff employees must also confirm that they have read and comply with our Code of Ethics and Business Conduct, which guides ethical decision-making. The Code includes clear commitments to preventing child labour and forced labour, ensuring equal opportunity, maintaining open communication, fostering a harassment-free workplace, and preventing workplace violence.

Every two years, staff employees complete an e-learning course on the Code of Ethics and Business Conduct, including its labour and human rights components, and must pass a test and sign a compliance declaration. Other employees review key topics through manager-led sessions to ensure broad and consistent understanding across the workforce.

Performance in FY25/26

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

These results met our annual target for child labour and forced labour case reporting.

* Source: Wageindicator Foundation



Communities

We promise to enrich our local communities.



At Johnson Electric, we put communities at the heart of our effort to build a more sustainable world, whether by creating new opportunities, developing people's skills or supporting inclusive growth. Our EcoVadis Gold Medal reflects the strength of this approach — and underscores our proven commitment to turn ambition into action. A prime example is the Johnson Electric Technical College, where we equip young people with practical skills and provide direct pathways to employment. By investing in the next generation, we bring our sustainability values to life and create lasting impact by helping individuals, families and communities to thrive.

Austin Wang
Executive Director and Executive Vice President

Main Topics and Key Highlights

Community Engagement

- More than **1,750** students have now graduated from our Johnson Electric Technical College
- More than **700** children joined the Junior Engineer program
- More than **400** community activities organized through our JEnerations program
- Received the **10 Years+** Caring Company Award from the Hong Kong Council of Social Service



The Shajing, China JEnerations team held the 9th Warm Winter Action Campaign, supporting elderly and disadvantaged youth through donations and home visits

Community Engagement

Our Approach

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

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

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

Johnson Electric Technical College

For more than two decades, Johnson Electric Technical College ("JETC") has created meaningful career pathways for young people from rural areas, lifting up not only individuals but also families and entire communities across China, Mexico and India. As a pre-university technical college, JETC has supported more than 1,700 graduates worldwide, offering fully funded technical training, English language instruction, and structured opportunities for personal development.

JETC creates life-changing opportunities by offering a fully funded, three-year technical education at no cost to students or their families. Designed as a boarding-school-style experience, the program allows young people to focus on learning rather than contributing to household income. JETC provides housing, meals and safe campus living, alongside modern classrooms, labs and sports facilities that build physical, academic and emotional resilience. To prepare students for a global future, JETC employs professional English teachers across its China, Mexico and India campuses, building communication confidence and opening pathways to further studies and international exposure. This includes domestic placements (e.g., Beijing, Changzhou, Wuxi and Shanghai in China) and overseas assignments that leverage the company's global footprint.

JETC is committed to expanding opportunities for young women in technical fields. The first female JETC students were enrolled in Mexico in 2017 and in China in 2023, with participation continuing to grow as families and local communities place their trust in the model. The inclusive campus environment, dedicated faculty support and safe residential arrangements ensure that young women from underprivileged backgrounds (including existing Johnson Electric employees) can access high-quality education, build their career aspirations and gain confidence in technical and engineering fields traditionally dominated by men. This emphasis on gender inclusion helps advance diversity across the regions where Johnson Electric operates, generating long-term social impact.

Beyond technical skills, JETC nurtures character, self-discipline and community belonging. Many students are the first in their families to access higher education and structured career support, contributing to increased stability and social mobility both for themselves and their relatives. Some graduates have progressed into supervisory roles such as Production Manager, while others have continued their academic journeys. In China alone, over 30% of active JETC graduates have earned degrees or higher qualifications, demonstrating their strong ambition and the program's positive influence.

JETC continues to stand as one of Johnson Electric's most impactful community engagement initiatives: empowering marginalized youth, advancing diversity and inclusion, and uplifting families and communities across the regions where the company operates.

JETC's Development Timeline

2004

1st JETC campus in Shajing, China

- Established in 2004 in Shajing, China
- Offers a three-year, fully funded education with comprehensive technical training



2016

2nd campus in Zacatecas, Mexico

- Opened in 2016 in Zacatecas, Mexico
- Works with Mexican institutions to issue diplomas to JETC students. Welcomed first female students in 2017



2020

1st Shajing campus moved to Jiangmen, China

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



2023

1st cohort of female students in China

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



2024

3rd campus in Chennai, India

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



2025

1st cohort of female graduates from Jiangmen, China

- 2025 marked the graduation of the 1st cohort of 30 female JETC students in China, expanding opportunities for women to thrive in technical fields



Kaviyarasan's Transformation with JETC, India

Kaviyarasan, from Nagapattinam district in southern India, grew up facing significant hardship after losing his father at six months old. Raised by his mother alongside two siblings, he supported the family by fishing during school holidays and struggled to continue his education due to financial constraints. Through relatives, he learned about JETC and enrolled in the D.Voc. Mechatronics program, where a monthly stipend helped ease his family's burden.

At JETC, he improved his English skills, gained technical knowledge and achieved strong academic results. He was also introduced to yoga and physical training, eventually becoming skilled enough to guide other students. With support from the JETC program and Johnson Electric, his family's living conditions improved significantly: they were able to build a new house, and his sister married.

Today, Kaviyarasan feels more confident, disciplined and motivated. He believes Johnson Electric's guidance will continue to shape his professional and personal growth.



Our colleagues visited Kaviyarasan's home to explain the JETC program details prior to his enrolment



Kaviyarasan speaking at JETC, India's 3rd Batch Opening Ceremony

Wu Shangfeng: A 15-year Journey with JETC, China

Born in the mountains of Huaiji in southern China to a struggling farming family, Wu's academic path once seemed closed, until JETC offered a lifeline: tuition-free education with room and board. At JETC, he embraced rigorous training, pairing early-morning study with hands-on practice in machining, electronics and programmable logic controller programming. Graduating top of his electronics cohort, he began his career as an electronics technician and quickly proved his value on production lines.

Overseas assignments followed. On unfamiliar factory floors and across language barriers, he learned technical vocabulary in real time, collaborated with local teams and maintained a 24/7 on-call mindset to cut downtime and stabilize output, later expanding his skill set into vision systems, multi-brand programmable logic controllers and upper-computer platforms. As production technologies evolved, he also began integrating AI-based monitoring to flag potential equipment issues early, helping prevent defective products before they occurred.

Working shoulder to shoulder with his supervisor during COVID disruptions, he repaired machines and carried out late-night shifts to keep capacity steady and customer commitments intact, before going on to lead line-speed upgrades and quicker changeovers. Today, promoted to Lead Engineer and boasting international experience, he relocated his growing family to the Jiangmen facility's company-provided housing: a testament to grit, opportunity and JETC's impact.



Wu and his mother during the JETC home-visit interview



Wu with village government officers at the JETC Graduation Ceremony in Jiangmen

How JETC, Mexico Opened Doors for Sandra

Sandra Carrillo Carbajal comes from the indigenous community of Haimatsie in Huejuquilla el Alto, Jalisco, nearly seven hours from the JETC facilities in Zacatecas. Growing up, she expected to follow the community tradition of crafting artisan goods, the main source of income for local families.

With no access to higher education in her hometown, Sandra was awarded a three-year fully funded opportunity to study at JETC in Zacatecas. At Johnson Electric, she discovered a path for both academic and professional growth. She joined the program in October 2021 and graduated in October 2024, alongside three other young women. Together with five male classmates, they formed the sixth generation of the JETC program in Mexico.

Today, Sandra works as a maintenance technician on the Zacatecas facility's drain and circulation pump production line, demonstrating strong dedication to continuous learning and technical excellence.

Now living in Zacatecas, she enjoys a significantly improved quality of life, achieved through her determination, her JETC education, and the opportunities she worked hard to embrace.



Sandra's first day at JETC (1 October 2021)



Sandra and her family



Sandra and her classmates taking a photo with our CEO, Dr. Wang

Junior Engineer Program

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

This year, our "J-Bot" toy car was designed by one of our talented female engineers and welcomed by over 700 children in Junior Engineer workshops held across our global sites.

Junior Engineer activity in Niš, Serbia





Junior Engineer activity in Chennai, India

700+
children joined the Junior Engineer Program



Junior Engineer activity in Hong Kong

JEnerations Volunteering Program

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

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

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

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

This year, we hosted more than 400 JEnerations events worldwide, ranging from blood donation drives, sponsored marathons and career guidance at fairs, to providing household essentials to families and making home visits. Each event and activity reflects our sincere commitment to community wellbeing.

400+
community activities organized

Social Impact Activities Around the World

Hatvan, Hungary

The JEnerations team in Hungary partnered with the Hungarian National Blood Transfusion Service and Red Cross, with 22 employees donating blood to support those in need. This life-saving initiative demonstrated compassion, solidarity and a shared responsibility for the local community, proving that small acts of kindness can have a transformative impact.



Chennai, India

The India Chennai Tech Centre embraced wellness and community spirit through the Healthy@JE initiative. Over 50 employees joined Step Challenge 2025, promoting health, motivation and team spirit, while running enthusiasts participated in the Tamil Nadu Run for Donation to raise awareness of organ donation. Together, these efforts highlighted the meaningful change that can come from working together as a team.



Community Engagement

Isle of Wight, United Kingdom

In the United Kingdom, our UK team supported students by showcasing real-world engineering career paths at the Ryde Academy Careers Fair. One of our Engineer Apprentices, a former Ryde Academy student, shared his inspiring journey from classroom curiosity to the start of a professional career.



Changzhou, China

Our Changzhou manufacturing site welcomed around 50 students and teachers from Jiangsu University's School of Energy and Power Engineering for an educational visit. Volunteers from the Engineering and Production departments explained the principles, development and production processes of oil pumps and e-pumps, offering valuable industry insights. The visit not only enhanced students' understanding of real-world applications but also strengthened the company's visibility and reputation among future engineering talent.



Hong Kong SAR

Colleagues from Hong Kong and Mainland China came together for Walk for A Vision 2026, marking the first JEnerations activity held in Hong Kong in 2026. Officiated by our Chairman and Chief Executive, Dr. Wang, three teams of colleagues took on the challenge, completing a 5 km route and an 8 km uphill course spanning approximately 93 flights of stairs. Together with other participants, the event raised HK$500,000 in support of the Charles K. Kao Foundation for Alzheimer's Disease.



Chennai, India

Our India site's Pongal 2026 celebrations blended culture with compassion. Employees took part by wearing traditional attire, creating Rangoli artworks and playing festive games. JETC students designed an authentic village-themed 3D setup using recycled and scrap materials such as wood, newspapers, pipes and cartons, while raising ₹10,000 for a local school for autistic children – embodying unity, gratitude and social responsibility.



Asti, Italy

The Asti team raised €1,327 through the sale of over 500 lottery tickets and 300 bingo cards at its Christmas dinner, with Johnson Electric matching the amount to reach a total of €2,654. This was donated in full to ANFFAS, a charty that supports people with intellectual disabilities and their families, to fund two touchscreen tablets with styluses and upgrade the theatre lights in its local centre, supporting the association's valuable work.





Hong Kong SAR

To support the development of future sustainability leaders, our Head of Sustainability, Environment and Health and Safety, Fernando Lopes, spoke to 90 master's students at The Chinese University of Hong Kong and The University of Hong Kong, sharing our sustainability journey and real-world insights.



Guest speaker session at The Chinese University of Hong Kong

Donations to Empower Elderly People and Children to Live Safely and Comfortably

Wuxi, China



Donation of fire extinguishers to the Welfare Home, creating a safer environment for children

Będzin, Poland



Donation of food, cleaning supplies and essential household items to improve the daily living conditions of the elderly

Social Caring: Supporting Communities with Heart and Action

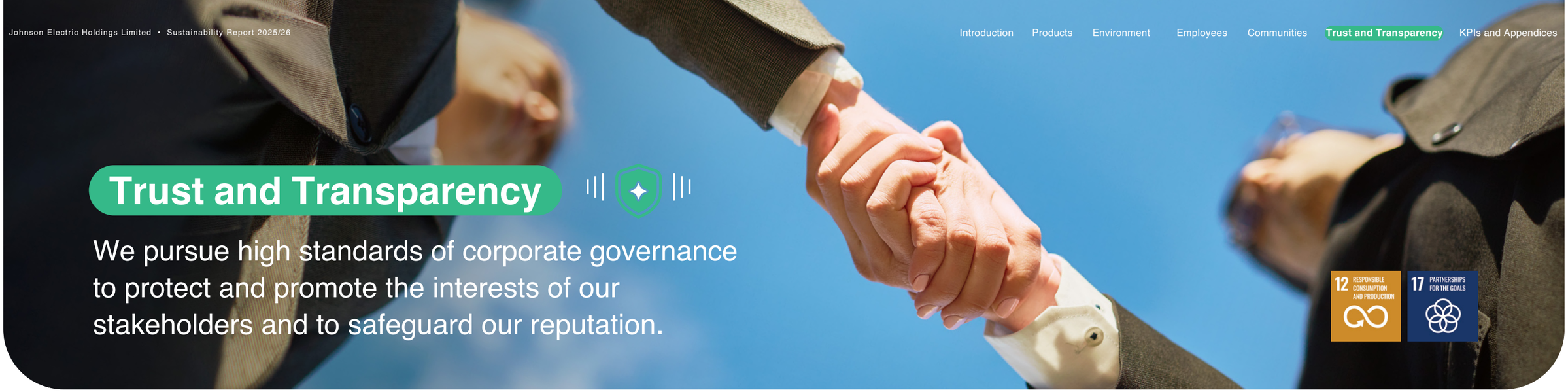
At Johnson Electric, social caring is not an initiative – it is a long standing commitment woven into the fabric of our culture. Our belief in supporting the communities where we operate is demonstrated through both sustained engagement and timely responses to urgent needs.

In 2025, the tragic fire in Tai Po, Hong Kong deeply affected the local community, leaving many families without homes or belongings. In the aftermath, Johnson Electric immediately mobilized support across its global workforce. Colleagues worldwide joined together in a unified effort to provide relief, and the company pledged to match every employee's donation to amplify impact. Through this collective act of compassion, a total of HKD1.3 million was raised and swiftly donated to the Hong Kong Community Chest to support recovery and rebuilding efforts for affected residents. This initiative highlighted the company's ability to act with empathy, scale support rapidly, and stand firmly with the community during moments of crisis.

Our dedication to social responsibility is also reflected in our long-term engagement efforts. In 2025, Johnson Electric was honoured with the 10 Years+ Caring Company Award from the Hong Kong Council of Social Service (HKCSS), recognizing more than a decade of commitment to volunteerism, community partnerships, and initiatives that foster an inclusive and caring society. This recognition underscores the sustained impact of our people and the company's dedication to contributing positively to the wellbeing of the Hong Kong community.

Together, these actions demonstrate Johnson Electric's unwavering belief in caring for people – both in times of crisis, and through continuous support that strengthens communities for the long term.

10 years+ 商界展關懷 caringcompany 2024/25 香港社會服務聯會 HKCSS



Trust and Transparency

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



Ethical conduct is the foundation of Johnson Electric's sustainability journey. By embedding integrity into every aspect of our operations, we strengthen stakeholder trust, support responsible growth and ensure that our business contributes positively to people, communities and the planet for generations to come.

Amit Chhabra
SVP and Chief Financial Officer

Main Topics and Key Highlights

We are ranked in the **top 1%** of our industry* for ethics and sustainable procurement by EcoVadis

Corporate Governance

- Continued to uphold the highest standards of corporate governance

Ethics

- Launched discretionary reward scheme for our whistle-blower hotline
- **93%** of employees completed ethics training, based on a rolling two-year training cycle

Compliance

- No significant instances of non-compliance with laws and regulations

Data Protection

- **64%** of employees work in entities accredited by TISAX

Supply Chain

- **88%** of suppliers (by direct material expenditure) have been assessed on ESG performance
- **78%** of suppliers have acknowledged our Supplier Code
- **97%** of targeted employees# were trained in supply chain sustainability

* Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus

\# Targeted employees are defined as buyers and commodity leaders in supply chain departments across all locations who manage supplier contact and relationships

Our Approach

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

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

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

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

Robust governance is not only an ethical imperative, but also a key performance driver: enabling higher operational efficiency through economies of scale, stronger internal processes and effective risk management.

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

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

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

Corporate Governance

Our Approach

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

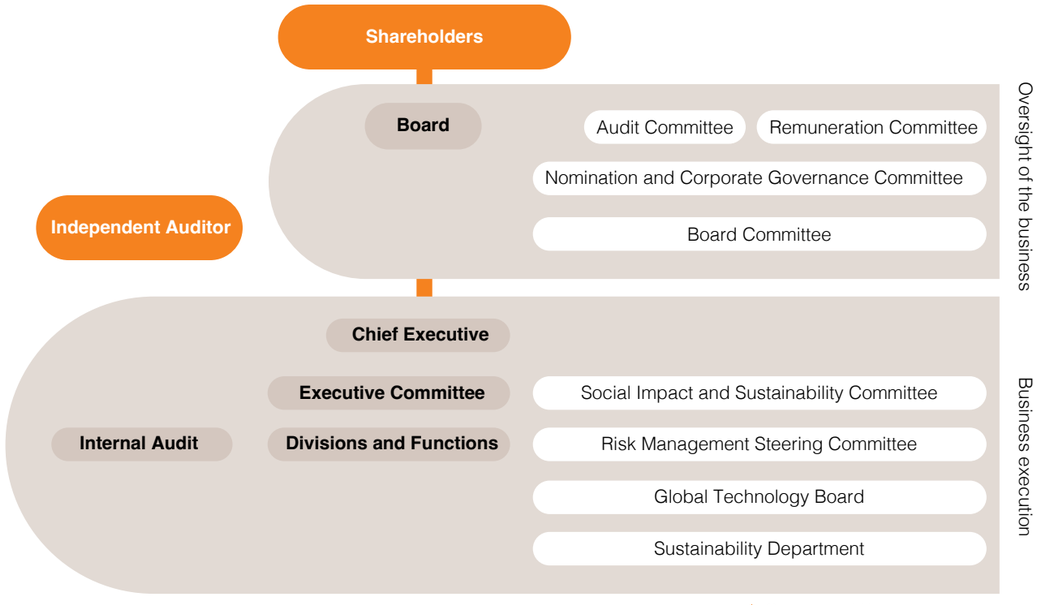
However, good governance is not merely a compliance exercise. At Johnson Electric, it is a vital process that supports our business success. The Board of Directors ("the Board") is focused on building a culture of integrity, transparency and accountability that extends across our extensive worldwide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

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

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

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

For further details of the composition and work of the Board and its Committees, see the Corporate Governance Report on pages 66 to 80 of the Annual Report 2025/26. Profiles of the Directors can be found on pages 198 to 201 of the Annual Report 2025/26.



▲ Our sustainability governance structure

* Except for Code Provisions B.2.2 and C.2.1 as noted in our Annual Report 2025/26: Corporate Governance Report

Sustainability Governance

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

The Board is kept informed through regular updates from the Group's sustainability management team. Additionally, the monitoring and assessment of certain aspects of the Group's sustainability activities are delegated to four committees which report to the Board on a regular basis.

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

The Board approves the Group's major sustainability targets (such as carbon emissions reduction targets), while the management sets and assigns responsibility for other sustainability targets. The management reports to the Audit Committee on target definition, assignment of responsibility, and progress.

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

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

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

Collective Knowledge of the Board

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

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

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

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

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

Sustainability in Execution

Sustainability is well integrated across various facets of the Johnson Electric organization. We have incorporated sustainability strategies, key performance indicators and goals into the strategic plans of all business units, in order to support the Group's overall sustainability direction and commitments. Each business unit has a dedicated budget for its own sustainability projects.

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

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

The SISC's responsibilities include:

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

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

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

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

Corporate Governance

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

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

Further details of our risk management processes, our risk profile and our policies for managing exposure to key risks can be found on pages 53 to 60 of the Annual Report 2025/26.

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

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

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

The Sustainability Department is responsible for:

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

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

The Internal Audit Department is responsible for:

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

Sustainability Reporting

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

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

Stakeholder Engagement

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

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

This engagement helps us to identify and understand:

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

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

A list of topics that are most important to key stakeholder groups, along with our most common communication channels, can be found on pages 119 to 120 of this report.

Materiality Assessment

We conducted a double materiality assessment in FY24/25, with the support of Sphera. We concluded that our Sustainability Framework, along with its five key areas – products, environment, employees, communities, and trust and transparency – and their respective activities, remains valid, relevant and aligned with the significant topics identified in the double materiality assessment. As such, no revisions to our Sustainability Framework were necessary, validating our overall sustainability path and areas of focus.

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

Double Materiality Assessment

In FY24/25, we carried out a rigorous and comprehensive double materiality assessment in line with the European Sustainability Reporting Standards ("ESRS") framework. The benefit of adopting this standard for assessing double materiality is that it considers both the financial impact of issues on a company and their impact on society and the environment, making it interoperable with both the GRI and IFRS standards for impact reporting.

We consulted with stakeholders based on the extent to which our operations impact them. This allowed us to identify the most substantial impacts, risks and opportunities stemming from our operations and business relationships.

The assessment was validated by Johnson Electric's Audit Committee and approved by the Board of Directors. This assessment comprised four distinct stages:

1 Understanding Johnson Electric's context

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

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

2 Identifying impacts, risks and opportunities

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

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

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

3 Assessing impacts, risks and opportunities

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

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

Scope: the extent of the impact

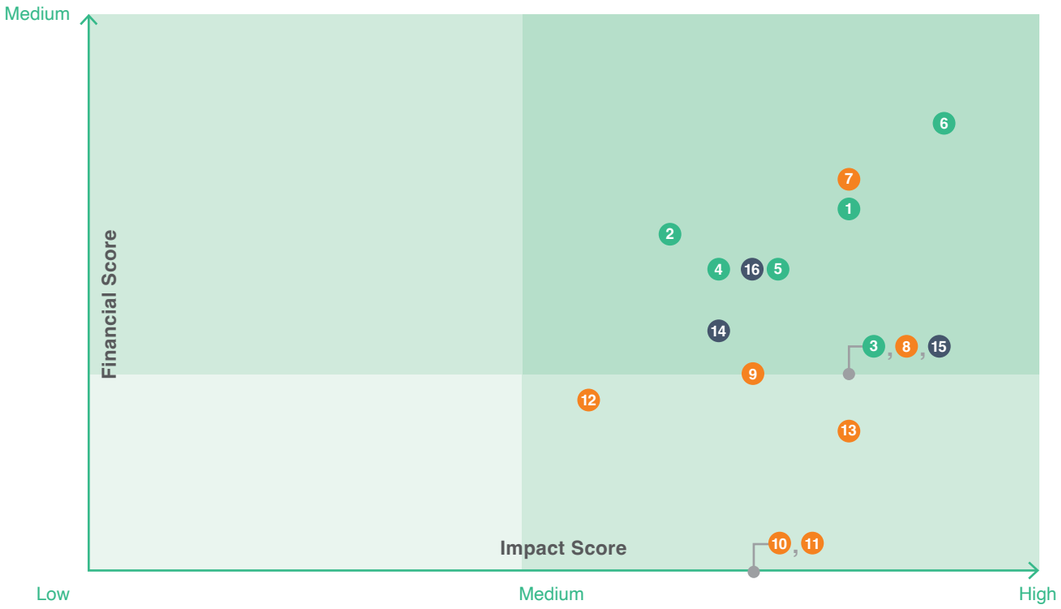
Irremediable character: the difficulty of mitigating or reversing harm caused

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

4 Prioritizing material topics

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

Our Double Materiality Assessment Topic Prioritization



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

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

Mapping of Sustainability Topics

Double Materiality Assessment Topics	Sustainability Framework Topics	UNSDGs	Sustainability Risks*
Climate change mitigation	Energy and climate, Emissions, Product carbon footprint	13	A, B
Climate change adaptation	Energy and climate	13	A, B, C
Energy	Energy and climate	11, 13	A, B
Circular economy	Waste, Sustainable products, Material management and use	11, 12	A, B
Materials efficiency	Waste, Material management and use	12	A, B
Innovation in sustainable products	Sustainable products	9	D
Health and safety	Health and safety	3, 8	B, C, E
Employee wellbeing	Health and safety	3	B, E
Training and skills development	Training and development, Community engagement	4, 8	B, E
Gender equality and diversity	Diversity, equity and inclusion	8	B, E
Labour rights	Labour rights	8	B, E
Child and forced labour	Labour rights, Ethics, Supply chain	8	B, E, H
Product safety	Product safety	3, 12	D
Corruption and bribery	Corporate governance, Ethics, Compliance	12	B, F, G
Management of relationships with suppliers	Supply chain	12, 17	C, G, H, I
Material sourcing	Material management and use, Supply chain	12	C, G, H

* Detailed descriptions of sustainability-related risks are provided on the following pages

Sustainability Risks

Sustainability-related risks are embedded in our enterprise risk management framework and overseen by management and the Board. These risks inform strategic decision-making and our approach to long-term value creation, reinforcing the links between sustainability performance, operational resilience and financial outcomes.

This section summarizes the sustainability-related dimensions of our principal risks as disclosed in the Management Discussion and Analysis of the Annual Report, with a focus on the environmental, social and governance factors most relevant to our material sustainability impacts and responsibilities.

A. Environment and climate change

We are exposed to environmental and climate-related risks, including the physical impacts of climate change, evolving environmental regulations, and changing market and stakeholder expectations. These factors may affect our operations, facilities, supply chains, costs and compliance obligations across jurisdictions.

These risks are relevant to sustainability through their potential impact on energy use, emissions, waste management, product carbon footprints and material efficiency. We seek to manage these risks through Group-wide environmental policies and practices, compliance with applicable laws and regulations, and initiatives to improve environmental performance, including actions related to energy use, emissions, resource efficiency and the integration of climate considerations into operational and strategic decisions.

B. Exposure to developing countries

A portion of our manufacturing, sourcing and sales activities is located in developing countries, exposing us to political, economic, regulatory and social conditions that may be less predictable. These include changes in laws and regulations, infrastructure constraints, labour market challenges and broader macroeconomic volatility, which may affect operational performance and continuity.

These factors have ESG relevance through potential impacts on labour practices, health and safety, environmental compliance, regulatory adherence and supply chain stability. We seek to manage these risks by maintaining a diversified manufacturing and sales footprint, supported by strong local leadership, corporate oversight, and Group-wide policies addressing integrity, environmental stewardship, human rights, labour practices, and health and safety.

C. Business interruption

Our operations may be disrupted by internal or external events, including industrial accidents, equipment failures, fires, floods, other natural disasters, epidemics, labour disruptions, transportation interruptions or geopolitical developments. Such events could affect production, delivery and our ability to meet customer commitments.

These risks have sustainability relevance through potential impacts on employee health and safety, exposure to climate related events and supply chain continuity. We seek to manage these risks through strengthening regional facilities and local supply chains, promoting a strong health and safety culture, maintaining employee engagement, and enhancing supply chain resilience, incident response processes and senior management oversight.

D. Product sustainability

Customer expectations, regulatory requirements and market trends related to product sustainability continue to evolve, potentially affecting product design, material selection, compliance obligations and customer demand.

These developments have ESG relevance through their impact on product energy efficiency and environmental performance, responsible material use, regulatory compliance, product safety and long term customer value. We manage these risks through Group-level product development policies and processes, customer engagement on requirements, and compliance with applicable product, safety and environmental regulations, including consideration of sustainability factors in product design and development.

E. People

Our performance depends on attracting, developing and retaining a skilled and engaged workforce. We face risks related to labour availability, skills shortages, turnover, succession planning and changing workforce expectations.

These factors have sustainability relevance through their impact on workforce health and safety, skills development, diversity and inclusion, labour rights and ethical conduct. We manage these risks through people-related policies covering recruitment, development, performance management and succession planning, supported by local management and Group-level oversight, with a continued focus on employee engagement, capability and compliance with employment laws and labour standards.

F. Fraud

We are exposed to fraud risks, including financial, procurement and cyber-enabled misconduct, which could result in financial loss, reputational damage, regulatory consequences and operational disruption.

These risks are relevant to sustainability through their connection to ethics, compliance and corporate governance. We seek to manage fraud risks through internal controls, policies and procedures designed to deter, prevent and detect misconduct, including ethical conduct standards, segregation of duties, approval controls, reporting mechanisms and oversight by management, the Board and internal audit.

G. Trust and transparency

Risks relating to trust and transparency include the accuracy and completeness of stakeholder information, compliance with laws and regulations, and ethical business conduct. Failures in these areas could lead to regulatory consequences, loss of stakeholder confidence and reputational damage.

These risks have sustainability relevance through their impact on corporate governance, ethical conduct and supply chain transparency. We manage them through Group-wide policies and standards, internal controls, reporting and escalation mechanisms, training, and management oversight to promote integrity and compliance.

H. Supply chain

Shortages of raw materials or critical components, as well as inflation and supply disruptions, could affect production continuity, customer deliveries and costs.

These factors have sustainability relevance through their impact on material use, supply chain transparency and responsible sourcing. We seek to manage these risks through sourcing strategies, supply chain arrangements and other measures intended to support material availability, production continuity and customer delivery.

I. Global economic and geopolitical environment

Global economic conditions, geopolitical developments, trade disputes, shifting tariff regimes and industry cyclicality may affect demand, operations, compliance requirements, costs and supply chains.

These factors have sustainability relevance through their impact on supply chain oversight and supplier relationships. We manage these risks through a geographically diversified operational footprint, local and regional operating structures, Group-level policies and standards, and customer and supplier diversification to support resilience under changing economic and geopolitical conditions.

Stakeholder Communication Channels

Stakeholder	Topics of Interest	Key Communication Channels	Frequency *
Shareholders	• Business performance • Strategic plans • Sustainability strategy and performance	Annual General Meeting	Periodic
		Results announcements	Periodic
		Financial reports	Periodic
		Media and investor relations conferences and feedback to enquiries	Ongoing
		Investor briefing packs	Periodic
		Sustainability ratings	Periodic
		Sustainability Report	Periodic
		Johnson Electric sustainability impact survey	Periodic
		Johnson Electric website and social media	Ongoing
Employees	• Ethics and business conduct • Working conditions and welfare • Labour and human rights • Health and safety • Career development and training • Business performance • Sustainability strategy and performance	Occupational health and wellbeing programs	Ongoing
		Diversity, equity and inclusion programs	Ongoing
		Ethics declarations	Periodic
		Ethics training	Periodic
		Whistle-blower hotline	Ongoing
		One Johnson Global Celebration	Periodic
		Performance reviews	Periodic
		Employee surveys	Periodic
		Workplace posters, emails, social media and intranet	Ongoing
		Staff briefings on topics of interest	Periodic
		Employee representatives and trade unions	Ongoing
		Johnson Electric sustainability impact survey	Periodic
		Training, coaching and on-the-job development	Ongoing
		Sustainability Report	Periodic
Government	• Environmental protection • Labour rights • Business performance • Employment and training opportunities	Regulations	Ongoing
		Local office contacts	Ongoing
		Site visits, audits and inspections	On request

* Frequency definitions: **Ongoing** – Continuous engagement without a fixed timetable, including routine interactions and always-available channels; **Periodic** – Engagement conducted on a recurring basis that is not limited to a single timetable. This includes activities carried out at regular intervals (such as quarterly, half year or annual reporting) as well as activities conducted at irregular or multi year intervals as part of company initiated processes, such as surveys, assessments or reviews.; **On request** – Engagement initiated by stakeholders, regulators or authorities as required

Stakeholder	Topics of Interest	Key Communication Channels	Frequency *
Customer	• Product quality and safety, price and performance • Business performance • Business integrity and ethics • Sustainability strategy and performance	Customer meetings, phone calls and emails	Ongoing
		Customer complaints process	Ongoing
		Results announcements	Periodic
		Customer on-site visits and audits of our factories	On request
		Customer sustainability questionnaires and assessments	On request
		Sustainability ratings	Periodic
		Sustainability Report	Periodic
		Johnson Electric sustainability impact survey	Periodic
		Johnson Electric website and social media	Ongoing
Suppliers	• Supplier performance – price, quality and sustainability • Supplier ethics and business conduct	Whistle-blower hotline	Ongoing
		Johnson Electric terms and conditions	Ongoing
		Johnson Electric Code of Ethics and Business Conduct	Ongoing
		Phone calls and email	Ongoing
		Key supplier ESG self-assessment	Periodic
		Conflict minerals reports	Periodic
		Supplier risk review	Periodic
		Johnson Electric sustainability impact survey	Periodic
		On-site audits of key suppliers	Periodic
Communities	• Employment and training opportunities • Quality education • Environmental activities • Local community activities	Phone calls and email	Ongoing
		Johnson Electric Technical College and partnerships with local education institutes	Ongoing
		Participation in government and NGO employment schemes	Ongoing
		Johnson Electric Junior Engineer	Periodic
		Community engagement activities	Ongoing

* Frequency definitions: **Ongoing** – Continuous engagement without a fixed timetable, including routine interactions and always-available channels; **Periodic** – Engagement conducted on a recurring basis that is not limited to a single timetable. This includes activities carried out at regular intervals (such as quarterly, half year or annual reporting) as well as activities conducted at irregular or multi year intervals as part of company initiated processes, such as surveys, assessments or reviews.; **On request** – Engagement initiated by stakeholders, regulators or authorities as required

Ethics

Our Approach

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

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

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

Code of Ethics and Business Conduct

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

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

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

To ensure accessibility, we make the Code available in the local language of each site and also make it available to download from our website.

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

Ethics Training and Declaration Program

Our ethics training and declaration program is designed not only to engage every employee at every Johnson Electric location but also to strengthen a shared culture of integrity across the organisation. By ensuring that all employees fall within the scope of the program we reinforce consistent ethical expectations and cultivate a workplace where responsible conduct is embedded into daily decision making.

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

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

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

Internal Control and Risk Management System

Internal controls form a cornerstone of our sustainability governance by supporting ethical conduct, anti-corruption practices, and operational integrity. They help ensure effective operations, safeguard assets, enhance reporting reliability, and uphold compliance with applicable laws and regulations. We conduct Group-wide annual assessments of risk exposure, including corruption-related risks, considering both likelihood and potential impact. These assessments are updated to reflect emerging issues and insights from internal audits. Risks are mitigated through proactive oversight and robust processes. Our internal control framework combines preventative and detective controls, sets clear authority limits, and prohibits single-signature approvals, with strict limits for gifts and entertainment.

Ethics

Code of Ethics and Business Conduct

Product Integrity

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

Trade Compliance

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

Preventing Unfair Competition

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

No Retaliation

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

Preventing Conflicts of Interest

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

Duty to Report

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

Guarding Against Bribery and Corruption

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

Preventing Fraud and Maintaining Accurate and Complete Official Records and Reporting

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

Government Relationships

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

Protecting Intellectual Property

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

Preventing Child Labour and Forced Labour

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

Protecting the Environment and Creating a Healthy and Safe Workplace

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

Anti-money Laundering

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

Mutual Respect and Diversity

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

Proper Authorization

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

Internal Audit Department

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

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

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

Whistle-blower Hotline

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

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

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

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

To further strengthen our culture of speaking up, we introduced a discretionary reward scheme in FY25/26 to incentivize employees, suppliers and customers to report concerns relating to our Code of Ethics and Business Conduct.

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

Institute of Business Ethics

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

Commitments and Targets

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

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

- Zero legal cases brought against Johnson Electric or its employees for corruption, anti-competitive behaviour, anti-trust, and monopoly practices
- Biennial (or more frequent) ethics training for 100% of the workforce
- Obtaining annual Code of Ethics and Business Conduct declarations from 100% of at-risk employees, managers and other staff-level employees
- Zero incidents of fraud, money laundering or conflicts of interest
- Extending our Internal Audit approach into a comprehensive five-year strategy that ensures systematic coverage across all eligible entities*, allowing for effective auditing and risk management.
- Investigating 100% of whistle-blower reports received through our hotline

Ethics training summary

	At-risk employees (excluding managers)	Managers	Executive Committee	Other employees: Staff-level employees	Other employees: All other employees	Total (rolling 2-year training cycle)
Percentage of employees trained in FY25/26#	18%	10%	0%	3%	1%	**93%**
Percentage of employees trained in FY24/25	100%	98%	100%	97%	87%	
Frequency of training	On joining, then every two years					
Training mode	Online	Online	Online	Online	Group training	
Topics covered						
Definition of corruption	✓	✓	✓	✓	✓	
Policy	✓	✓	✓	✓	✓	
Scenarios that provide guidelines of what is considered good behaviour	✓	✓	✓	✓		
Annual declaration	✓	✓	✓	✓		
Annual declaration completion rate in FY25/26	100%	100%	100%	100%		

Ethics training is mandatory for new employees as part of the onboarding and orientation process. The next organization-wide ethics training cycle is scheduled for FY26/27

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

Ethics

Compliance

Performance in FY25/26

Ethics training and declaration:

- During FY25/26, 93% of our workforce completed ethics training, based on a rolling two-year training cycle, which included essential anti-corruption modules

93%

of employees received ethics training

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

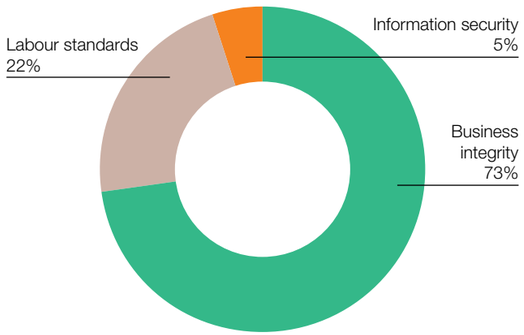
Internal audit visits:

- During FY25/26, Internal Audit conducted visits at 23 entities, representing 76% of the Group's total workforce, during which it tested the appropriateness, effectiveness and degree of compliance of various anti-corruption controls as part of its test program

Whistle-blower reports:

- The reporting rate for the whistle-blower hotline was 1.2 reports per 1,000 employees
- 100% of whistle-blower reports were subject to investigation. Of the investigations concluded in FY25/26, 42% were found to be substantiated, including some prior cases. These were subject to relevant corrective actions including disciplinary action where appropriate. However, as of the end of March 2026, some investigations were still ongoing

Whistle-blower reports by category



Fraud and corruption incidents:

- There were seven confirmed incidents of fraud and corruption. Six of these incidents involved employees engaging in corrupt practices that were harmful to the company's interests. These included conflicts of interest, offer and acceptance of kickbacks (i.e. bribery), embezzlement and misappropriation of company property. All employees involved in these incidents resigned, were dismissed or disciplined
- There was one confirmed incident that led to the termination of a relationship with a supplier due to violations related to corruption
- There was one confirmed incident that led to the termination of a relationship with a customer due to violations related to corruption
- There was one set of connected legal cases brought against ex-employees relating to embezzlement and misappropriation of company property (reported as a confirmed incident in FY24/25)

Our Approach

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

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

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

Fair Competition

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

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

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

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

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

* Refers to fines over USD100,000

Global Tax Policy

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

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

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

Commitments and Targets

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

- Zero significant* instances of non-compliance with laws and regulations
- Zero regulatory actions regarding fair trade or competitive practices

Performance in FY25/26

In FY25/26:

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

Data Protection

Our Approach

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

Data Protection Systems

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

Preventative control measures implemented by our security operations centre include:

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

Data Protection Hotline

Employees can report potential phishing emails, suspicious activity or other information security concerns at any hour through an internal information security hotline. Reports may also be submitted by other interested parties through the designated email address.

Vendor Assessments

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

Incident Management

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

Cyber-security Accreditation

As smart and connected vehicles become more prevalent, the automotive industry is imposing stricter information security requirements. Many automakers and suppliers now use the Trusted Information Security Assessment Exchange ("TISAX") to standardize information security management assessments and ensure appropriate protection for customer data, new products, and prototype development. TISAX requires an initial self-assessment followed by an audit and subsequent closure of any compliance gaps before accreditation is granted. Several of our locations, including our Hong Kong headquarters, are now accredited, and additional technology centres, sales offices and key manufacturing sites are progressing toward accreditation. Best practices from TISAX implementation are being shared across the Group. We also monitor and align with emerging company-specific information security schemes to support customer needs.

Data Protection Compliance

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

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

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

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

Commitments and Targets

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

Our data protection targets include:

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

Performance in FY25/26

In FY25/26:

- A total of 11 entities have obtained TISAX accreditation, including three newly accredited entities in Changzhou, China; Niš, Serbia; and Asti, Italy in FY25/26. As of 31 March 2026, 64% of employees work in TISAX-accredited entities
- There were no identified information security breaches
- There were no identified leaks, thefts, or losses of personal or customer data

64%

of employees work in entities accredited by TISAX

Financial Impacts of Climate Related Risks and Opportunities

Transitional Risks and Opportunities

Understanding the diverse potential impacts of climate change on our business is crucial for long-term sustainability. To assess climate-related transitional risks and opportunities, Johnson Electric partnered with Sphera to adopt a structured assessment process. This section presents a forward-looking, scenario-based assessment of potential future financial impacts of transition risks and opportunities.

First, a comprehensive list of transition risks and opportunities was developed, supported by holistic desk research and scenario analysis, including one scenario aligned with the Paris Agreement's 1.5°C target. The transition risk scenarios chosen for this scenario analysis comprised:

Business as usual (BAU)

- IEA 2024: Stated Policies Scenario (STEPS 2.5°C)
- IPCC: SSP2-Middle of the Road

Low carbon (LC)

- IEA 2024: Net Zero by 2050 (NZE 1.4°C)
- IPCC: SSP1-The Sustainability Pathway

Next, the results were discussed in interactive workshops that assessed Johnson Electric's exposure and sensitivity to these risks and opportunities. Each item was evaluated and ranked based on magnitude, duration, area of influence, and time horizon, with likelihood determined through research and workshop feedback.

These insights were used to identify the most relevant climate-related risks and opportunities for the Group. The potential future financial implications of these risks and opportunities were then evaluated using a forward-looking internal methodology, applied in a manner consistent with IFRS S2, that combines scenario analysis, market and policy assumptions, external reference data and internal calibration. Potential effects on relevant financial line items were subsequently evaluated through an internal financial model.

Planning horizons and scenario alignment

The Group adopts three planning horizons for sustainability: short-term, aligned with the annual financial reporting period; medium-term, covering the next five years; and long-term, extending beyond five years. To assess climate-related risks and opportunities, our scenario analysis draws on the three climate model horizons of near-term (2021–2040), medium-term (2041–2060) and long-term (2081–2100). These horizons are mapped onto the Group's planning intervals to ensure consistency and decision relevance: short-term planning is informed by immediate operational priorities, medium-term planning is guided by insights from the near-term climate horizon, while long-term planning incorporates considerations from the climate models' medium and long-term horizons to evaluate evolving physical and transition risks over extended periods. This alignment enables the Group to integrate robust climate science into strategic planning, risk management and capital allocation.

Financial impact assessment approach

The Group has undertaken internal quantitative analysis to assess the potential future financial effects of climate-related risks and opportunities across the Group's planning horizons. This analysis considers potential impacts on relevant financial line items, including revenue, cost of goods sold, operating expenditure and capital expenditure, and selected financial performance indicators such as operating cash flow, free cash flow and profit before tax.

Drawing on the climate scenarios listed earlier in this section, this analysis is used to support risk prioritisation, strategic planning and capital allocation.

Climate-related risks may increase costs or reduce revenues in certain areas, although some impacts are expected to be mitigated by offsetting factors such as pricing actions, cost pass-through mechanisms and changes in customer demand. Climate-related opportunities are expected to increase revenues or reduce costs; however, these favourable impacts may be partially offset by countervailing effects, including reduced demand for higher-emission legacy products.

Use of qualitative disclosure

At this stage, the Group has not disclosed disaggregated point estimates externally for the potential future financial impact of individual risks and opportunities because the outputs are highly sensitive to interdependent assumptions, including climate policy, market developments, technology pathways, customer responses and geopolitical factors, and could imply a level of precision that would not be decision-useful to users of general-purpose financial reports. For example, while climate-related policies and decarbonization objectives are increasing demand for electric vehicles in certain markets, geopolitical developments are simultaneously influencing industrial policy and production footprints, and competitive dynamics are driving margin pressure in specific regions. In such circumstances, changes in revenues, costs or profitability cannot be robustly or consistently attributed to climate-related drivers in isolation, limiting the reliability of disaggregated quantitative estimates.

Accordingly, the Group provides directional and relative impact information, together with identification of the principal financial areas affected. Given the structural interdependence and inseparability of climate, policy, market and geopolitical drivers, this limitation in attribution and reliability means that disaggregated or range-based quantitative disclosure is not expected to be decision-useful in the short to medium term. The Group will therefore continue to focus on qualitative assessment and relative significance under different scenarios, while monitoring developments in methodologies, data quality and market transparency over time.

The breadth of the Group's geographic footprint, as well as the nature of its customer base and product applications, further reinforces these constraints, meaning that quantified point estimates would not meet the Group's standards for reliability or decision-usefulness across all assessed risks and opportunities. Accordingly, the Group has applied a consistent approach that focuses on qualitative assessment, directional impact and relative significance under different scenarios. These outputs are used to support Board governance, capital planning and risk prioritisation, rather than to present quantified financial effects that could be misleading if interpreted as precise or predictive.

Financial Impacts of Climate Related Risks and Opportunities

Amount and percentage of assets or business activities vulnerable to climate-related risks or aligned with climate-related opportunities

The Group has not disclosed quantitative estimates of the proportion of assets or business activities exposed to climate-related risks or aligned with opportunities. This reflects the integrated and multi-functional nature of the Group's operations, where assets and activities support multiple products, customers and end-markets and are not exclusively exposed to, or aligned with, specific climate-related factors.

As a result, it is not possible to reliably attribute a meaningful percentage of assets or activities to discrete climate-related risks or opportunities without introducing assumptions that would reduce the reliability and decision-usefulness of the disclosure. The Group therefore focuses on qualitative assessment and relative significance under different scenarios, consistent with its internal management and decision-making processes.

Resilience assessment

The Group's assessment indicates that its strategy and business model remain resilient across the transition and physical risk scenarios considered. This assessment is informed by scenario analysis and internal financial impact assessment, including evaluation of potential effects on relevant financial line items and selected financial performance indicators. The assessment recognizes that resilience is supported by continued operational flexibility, phased capital deployment, technology and product adaptation, and the Group's ability to respond to evolving policy, market and geopolitical conditions. Significant sources of uncertainty include the pace and design of regulatory change, customer adoption patterns, energy and carbon prices, technology readiness and competitive market responses.

To support decision-useful assessment and avoid misleading precision, the Group does not currently apply quantified financial metrics to express resilience outcomes, as such metrics would be highly sensitive to interdependent and inseparable assumptions and are not considered sufficiently reliable at this stage.

Qualitative assessment of future financial impacts

The Group uses an internally-defined impact scale ranging from "very low" to "very high" to communicate the relative financial significance of climate-related risks and opportunities.

These impact levels are based on an internal approach that estimates how key financial figures could change over the Group's planning horizons. This includes possible effects on revenue, cost of goods sold, operating costs and capital investment. The estimates use a combination of the Group's internal business forecasts, assumptions about markets and policies, and external scenario data.

The estimated financial impacts are then compared with how much the Group's financial results have historically varied over several years. These comparisons are fed into an internal financial model to assess potential effects on operating cash flow, free cash flow and profit before tax, relative to a baseline financial forecast.

The resulting impact levels therefore reflect relative financial severity under the scenarios assessed rather than arbitrary qualitative labels.

Using this scale, financial impacts associated with climate-related risks and opportunities are presented qualitatively to reflect their relative significance to the Group's performance, financial position and cash flows.

- Very low impacts are expected to result in incremental or marginal financial effects, such as minor administrative, compliance or efficiency-related costs or benefits, that are unlikely to influence management decision-making, financial flexibility or capital allocation
- Low impacts may give rise to limited and manageable financial effects, including modest cost pressures or revenue effects, that can be accommodated within normal planning and operational parameters without requiring material changes to business strategy or capital deployment
- Medium impacts represent more noticeable effects on revenues, costs or capital expenditure that may influence management prioritisation, budgeting, investment timing or mitigation actions over the medium term, while remaining manageable through operational flexibility or phased investment
- High impacts would be expected to create significant pressure on financial performance, cash flows, asset values or capital deployment, potentially requiring active management intervention, increased capital allocation or targeted strategic adjustment
- Very high impacts would be expected to have the potential to be transformative for the Group's financial profile or strategic execution, with implications for the business model, market participation or long-term capital allocation

These impact levels are determined using the Group's internal methodology and reflect relative financial severity under the scenarios assessed.

Financial Impacts of Climate Related Risks and Opportunities

Transitional risks	Likelihood	Financial line impact	Area of influence	Time horizon	Potential future financial implications
Increased pricing of GHG emissions The pricing of greenhouse gas emissions may increase as carbon-pricing mechanisms expand in scope and stringency across major markets. These mechanisms are intended to internalize the cost of emissions and are expected to play a growing role in climate policy, affecting energy and emissions-intensive activities across the value chain. Under business-as-usual scenarios, carbon prices are assumed to increase gradually over time, including relevant exposure in China, embedded in both emissions in our supply chain and in our own operations, mitigated by incremental emissions-reduction activities. Under low-carbon and net-zero pathways, the risk intensifies over the medium to long term as higher prices and expanded geographic coverage are introduced, affecting a broad range of industries, including in emerging economies where the Group operates.	Likely	Revenue/Cost of Goods Sold/ Selling, General and Administrative Costs	Own operations/ Upstream value chain/Downstream value chain	Medium to long term	Higher carbon prices are expected to increase material, energy and operating costs across the value chain. Under low-carbon and net-zero scenarios, these cost increases are expected to become more pronounced over the medium to long term, particularly through higher input costs. As carbon pricing is expected to affect the wider industry, a portion of these increased costs is anticipated to be passed on to customers through pricing, although competitive pressures may constrain full cost recovery. In the short term, carbon pricing is expected to be low. Over the medium to long term, it is expected to create low to medium but manageable cost pressure under low-carbon and net-zero pathways, with impacts moderated by partial revenue uplift from industry-wide cost pass-through, as well as operational flexibility.
Mandates on and regulation of existing products and services Mandates and regulations affecting existing products and services may increase as governments introduce measures aimed at reducing emissions and improving product energy efficiency. Given that many of the Group's products consume energy, evolving standards may affect product specifications, material choices and design requirements across the portfolio. Under business-as-usual scenarios, regulatory developments are expected to remain incremental, although product-related requirements are still expected to apply over the medium term, particularly in Europe. Under low-carbon and net-zero pathways, this risk becomes more pronounced over the medium term as policies and standards progressively tighten globally to accelerate decarbonization.	Likely	Cost of Goods Sold Selling, general and administrative costs	Own operations/ Upstream value chain/Downstream value chain	Medium term	Compliance with evolving product regulations may require targeted investment in product redesign and testing, selection of alternative materials, changes in manufacturing processes, data sharing and reporting obligations. Regulatory changes are expected to be phased, allowing adjustments to be made progressively. While relevance increases under low-carbon and net-zero scenarios, overall impacts on operations, cash flow and profitability (increase in costs of goods sold and selling, general and administrative costs increase in cash outflows) at Group level are assessed as very low, reflecting incremental costs to meet phased compliance requirements. These impacts are expected to result in a small increase in cost of goods sold and selling, general and administrative expenses, together with associated increases in cash outflows over time.

Financial Impacts of Climate Related Risks and Opportunities

Transitional risks	Likelihood	Financial line impact	Area of influence	Time horizon	Potential future financial implications
Costs of transitioning to lower emissions technology Transitioning to lower-emissions technology may require investment in clean energy, electrification and alternative process technologies. This includes replacing certain fossil-fuel-based equipment with lower-emissions alternatives as part of decarbonization efforts. Under business-as-usual scenarios, transition costs are expected to build gradually over time, with more limited near-term investment. Under low-carbon and net-zero pathways, transition activity accelerates, with higher costs incurred over the medium term as clean-energy deployment and electrification increase, followed by longer-term structural shifts extending towards 2050.	Very likely	Capital Expenditure	Own operations	Medium term	Eliminating certain Scope 1 emission sources from certain sources, such as gas-fired furnaces and heating systems, may require targeted capital investment over time if the Group is unable to replace carbon-emitting fuel sources with the equivalent renewable fuels. These investments are not expected to represent a significant proportion of the Group's total annual capital expenditure and are anticipated to be phased over multiple years, aligned with asset replacement cycles, technology readiness and site-specific feasibility. While decarbonization alternatives are not yet uniformly mature or available across all regions, the Group retains operational and technological optionality, allowing transition decisions to be sequenced and adapted rather than requiring widespread near-term replacement. As a result, the overall cash-flow impacts are expected to reflect an increase in cash outflows that is medium but manageable, phased over multiple years and accommodated within existing capital planning processes rather than representing a step-change.
Increased cost of raw materials Exposure to raw-material availability and pricing represents a transitional risk due to increased demand for minerals and metals used in clean-energy technologies, combined with concentrated supply chains and evolving climate-related trade and carbon-pricing measures, such as border adjustment mechanisms. These factors may increase price volatility and embedded emissions costs across upstream production. Under business-as-usual scenarios, risks related to raw-material availability and pricing are expected to persist but remain moderate, with climate-related cost impacts emerging progressively over the medium term. Under low-carbon and net-zero pathways, the risk becomes more pronounced over the medium to long term due to rising carbon prices, faster adoption of mineral-intensive technologies and heightened supply-chain and geopolitical exposure.	Very likely	Revenue/Cost of Goods Sold	Own operations/ Upstream value chain	Medium to long term	Rising demand for critical materials and higher embedded carbon costs are expected to place upward pressure on material prices over the medium to long term, particularly under low-carbon and net-zero pathways. As these pressures are expected to affect the wider industry, partial cost pass-through to customers is anticipated, subject to competitive dynamics, which may constrain full cost recovery. Overall, the net financial impact on the cost of goods sold and profitability is assessed as very low, reflecting incremental cost pressures mitigated by pricing and sourcing flexibility.

Financial Impacts of Climate Related Risks and Opportunities

Transitional Opportunities	Likelihood	Financial line impact	Area of influence	Time horizon	Potential future financial implications
Use of more efficient production and distribution processes Increasing regulatory, customer and market focus on energy efficiency and lower-carbon operations creates opportunities to improve production and distribution efficiency, reduce emissions and lower operating costs. These opportunities arise through improved energy management, material efficiency, waste reduction, increased recycled content and greater localization of production. Efficiency improvements are expected to progress gradually under business-as-usual scenarios. Under low-carbon and net-zero pathways, efficiency gains are expected to accelerate over the medium term as decarbonization expectations and customer preferences strengthen.	Likely	Cost of Goods Sold	Own operations	Medium term	Efficiency initiatives may reduce energy consumption, material use and waste, resulting in incremental cost savings over time. Additional benefits may arise from increased recycled content and improved capacity utilization across manufacturing sites. The resulting financial impact is expected to be low but favourable each year, primarily through very low to low-magnitude reductions in the cost of goods sold within existing operations over the medium term, with negligible impacts on cash flow and financial position.
Development and/or expansion of low emission goods Growing emphasis on decarbonization, electrification and energy efficiency, together with evolving customer and end user preferences toward lower emission solutions, is increasing demand for low-emission motion solutions across automotive, industrial and consumer applications. This creates opportunities to expand the scale and range of existing low-emission goods, including products supporting electric vehicles and high-efficiency end uses. Demand growth is expected to be more gradual under business-as-usual scenarios and more pronounced over the medium to long term under low-carbon and net-zero pathways as regulation tightens and market demand shifts progressively toward lower-emission solutions.	Very likely	Revenues	Own operations/ Downstream value chain	Medium to long term	Expansion of low-emission product offerings is expected to support revenue growth over the medium to long term as customer demand for electrified and high-efficiency solutions increases. Under business-as-usual scenarios, continued but low to medium profit growth is expected. Under low-carbon and net-zero scenarios, growth opportunities are more pronounced, resulting in medium profit growth. Financial impacts are primarily revenue and margin-driven, reflecting a progressive shift in portfolio mix toward climate-aligned products that generate higher profit contribution per unit of underlying customer activity. While the transition involves the managed run-off of certain non-aligned products, EV-related sales are expected to more than offset displaced ICE-linked sales at a product level, particularly under low-carbon pathways. The pace and profile of impact are influenced by competitive pricing dynamics, customer adoption timelines, and the phased implementation of platform transitions across applications, customers and geographies. Consequently, while cumulative profit growth is meaningful over the transition horizon, impacts are realised progressively, with changes expressed through sustained improvements in product mix, sales composition, profitability and cash flow, and negligible impacts on financial position rather than abrupt step-changes in Group-level results within any single reporting period.
Development of new products through R&D and innovation The Group's R&D and innovation capabilities create opportunities to develop new products that support climate-change mitigation and adaptation, including improvements in energy efficiency, durability and intelligent control across a range of non-EV applications. These opportunities arise from evolving customer requirements and preferences, as well as regulatory expectations, which are increasingly aligned toward lower-emission and more resource-efficient solutions. Opportunities are expected to emerge progressively over the medium to long term. While demand is expected to increase under low-carbon pathways, the timing and scale of individual opportunities remain uncertain and dependent on customer adoption, policy developments and long-term technology pathways.	Very likely	Revenues	Own operations/ Downstream value chain	Medium to long term	Climate-aligned innovation is an integral part of the Group's existing R&D strategy and supports longer-term growth through the development of new product offerings across a range of applications. The timing and scale of individual innovations are inherently uncertain and will vary by market and use case. As a result, financial impacts on revenues, cash flow generation and financial position are uncertain in both timing and magnitude, with selective commercial success expected across a diversified innovation portfolio, and value realised progressively over the long term.

Planned climate-related investments and disposals, planned funding sources for climate-related strategy execution, and anticipated capital deployment for climate-related initiatives

Climate-related activities are funded through the Group's overall capital and operating budgets, rather than a separate climate budget. Climate considerations are integrated into broader business decisions, and current assessments do not indicate a material impact on investment priorities or spending levels.

Because these activities are embedded in wider operations, the Group does not separately track or disclose climate-specific capital or investments. Such expenditure forms part of general operational, efficiency and growth initiatives and is funded through existing cash flows and financing.

Furthermore, the Group's assets and investments are flexible and support multiple purposes, serving a wide range of products, customers and end markets. As a result, expenditure that contributes to climate-related outcomes is typically multifunctional and cannot be reliably attributed exclusively to climate-related purposes without introducing assumptions that would reduce the reliability and decision-usefulness of the disclosure. Climate considerations are therefore incorporated alongside other commercial, operational and strategic factors in standard planning and investment decisions.

Current financial effects

For FY25/26, the Group has not identified separately quantifiable current-period effects of climate-related risks and opportunities on financial position, performance and cash flows that would support decision-useful external disclosure. Climate-related developments affecting the Group during the reporting period are closely interrelated with, and inseparable from broader market, geopolitical and commercial dynamics, making it difficult to isolate their quantitative and qualitative effects on the Group's financial position, financial performance and cash flows in any single year on a robust and consistent basis using reasonable and supportable information available at the reporting date.

Consequently, although climate-related factors may affect the Group's cost base and revenue generation, these effects are inseparable from broader underlying drivers, such that even directional qualitative attribution on a standalone basis cannot be considered reliable within the current reporting period.

Over a longer time horizon, we can make qualitative estimates as provided in our discussion of potential future financial impacts of climate-related risk and opportunities in the preceding pages.

Based on the Group's assessment as at the reporting date, no climate-related risks or opportunities were identified as giving rise to a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.

Climate-related physical risks

In preparing these climate-related disclosures, the Group has applied IFRS S2 Climate-related Disclosures together with the relevant general requirements in IFRS S1 as the primary reporting framework. In developing its methodology and approach, the Group has also drawn on selected external sources, including ESRS E1, TCFD concepts and established climate science references such as the IEA and IPCC. These sources informed the assessment design and interpretation of risks but did not override the Group's application of IFRS disclosure requirements.

Within this framework, the Group assessed climate-related physical risks with the support of Sphera, using location-based physical risk tools such as the IPCC Atlas, Aqueduct Water Risk Tool and Climate Analytics' Climate Impact Explorer to identify assets exposed to physical hazards. Physical risk assessments were conducted using the RCP8.5 scenario, representing a high-emissions pathway, for the purpose of stress-testing exposure under severe but plausible climate conditions.

Risk magnitudes were categorized as low, medium or high. Fourteen physical risk variables were projected, covering both acute and chronic risks. The impacts of these risks on Johnson Electric's assets and revenue were then assessed, using risk modelling techniques in accordance with IFRS S2. Finally, results were interpreted within the context of TCFD physical risk categories.

For modelling purposes, revenue impacts reflect potential temporary operational disruption under severe physical climate scenarios rather than permanent loss of revenue or asset value. The modelling does not apply probability-weighting to individual hazards or fully reflect mitigating actions such as production reallocation across sites, inventory buffers, supply-chain contingency measures, or post-event repair, rebuild or relocation. Accordingly, the outputs should be interpreted as stress-test indicators of exposure under extreme conditions, rather than estimates of expected or likely financial loss.

Johnson Electric's physical climate risk assessment indicates that manufacturing assets and associated revenues are exposed to a range of acute and chronic physical climate risks. While some moderate exposure is already present at selected locations, the severity, frequency and operational significance of physical climate risks are expected to increase materially over the medium to very long term (2030 to 2050), reflecting intensifying climate hazards. In addition, the Group's global manufacturing footprint and sales mix are expected to evolve over time through the combined and interrelated effects of climate change, geopolitical developments and market dynamics, which together may drive shifts in production volumes and revenue generation across locations. As a result, physical climate risk to the Group is better characterised by the evolving intensity of impacts over time than by static measures of asset or revenue exposure.

The following confirmed physical risk drivers may have a direct or indirect impact on Johnson Electric:

Acute physical risk

- Avalanche
- Cold wave/frost
- Cyclones, hurricanes, typhoons
- Drought
- Flood (coastal, fluvial, pluvial, groundwater)
- Heat wave
- Heavy precipitation (rain, hail, snow/ice)
- Landslide
- Storms (including blizzards, dust, and sandstorms)
- Wildfire

Chronic physical risk

- Changing precipitation patterns and types (rain, hail, snow/ice)
- Changing temperature (air, freshwater, marine water)
- Changing wind patterns
- Coastal erosion
- Heat stress
- Ocean acidification
- Permafrost thawing
- Precipitation or hydrological variability
- Sea level rise
- Soil degradation
- Temperature variability
- Water stress
- Glaciers and ice sheets

Physical Climate Risk Impacts and Adaptation Solutions

Most significant physical climate risks	Affected manufacturing locations*	Impacts	Adaptation solutions#
Chronic risk: Rising mean temperatures and heat stress	Canada, China, Germany, Hong Kong, Poland, South Korea, Switzerland, United States	Impacting operational efficiency and worker safety	1. Employee health protection • Adjusted work schedules: work periods shifted to cooler early-morning and late-afternoon hours, with reduced outdoor activity during midday heat; outdoor operations stop at critical temperature thresholds (e.g., ≥37-40°C) • Enhanced rest and recovery measures: increased rest frequency and shortened continuous work hours during high-temperature periods; mandated rest breaks based on heat or humidex levels • Cooling stations and supplies: shaded or air-conditioned rest areas equipped with heat-relief beverages, cooling medicines, hydration stations and electrolyte supplements • Protective gear and uniforms: breathable summer uniforms, cooling bandanas and iced water provided during extreme heat; evaluation of thinner heat-appropriate fabrics where safety standards allow • Ventilation improvements: installation of roof ventilators, circulation fans, and upgraded ventilation systems in production and office areas 2. Equipment and operational environment safety • Temperature-sensitive equipment checks: increased inspections of motors, distribution cabinets and other heat-sensitive machinery using infrared thermography • Electrical safety controls: regular circuit inspections to prevent overloads, unauthorized wiring, and overheating; annual thermal imaging performed in several sites • Chemical safety monitoring: strict management of hazardous chemicals, including secondary containment and daily checks of temperature, pressure and liquid levels • Refrigerant controls: bans on fluorinated refrigerants to avoid overheating risk and reduce environmental impact • HVAC and cooling system management: preventive maintenance of HVAC, chillers, heaters, exhaust units and air-handling equipment before high-heat seasons • Equipment cooling: installation of air-conditioning units on critical equipment control panels • Plant cooling infrastructure: large industrial ceiling fans and climate-controlled work environments help reduce indoor heat load 3. Control of high-risk special operations • Confined space safety: required sequence of “ventilate → test → work”, including permits, safety watch personnel, and limits on confined-space work during extreme temperatures; in some sites, confined-space tasks are conducted exclusively by trained contractors • Hot work safety: strict permit systems, removal of combustibles within defined radii (10-11 meters), fire-watch requirements, and suspension of hot work during severe weather or extreme heat • Tiered heat alert system: multi-level alert protocols such as staggered shifts at 35°C, suspension of work-at-height at 37°C, and prohibition of special operations at 40°C 4. Emergency preparedness and response • Updated emergency plans: maintenance and revision of emergency procedures for heatstroke, high-temperature events, equipment failures, and plant-level disruptions • Monitoring and duty systems: leadership-led duty rotations, 24-hour monitoring of critical positions, and defined escalation pathways • Real-time and manual monitoring: humidex readings, hourly indoor temperature checks, and automated sensors that provide live heat alerts and display threshold actions on-site • Emergency drills: regular drills for heat-related events and equipment failures • Shift-wide first responder coverage: trained personnel available on all shifts to address heat stress symptoms and emergency situations promptly

* According to the Physical Risk Assessment of IPCC Climate related hazards – SSP5-8.5

\# Selected examples from main manufacturing sites only

Financial Impacts of Climate Related Risks and Opportunities

Financial Impacts of Climate Related Risks and Opportunities

Most significant physical climate risks	Affected manufacturing locations*	Impacts	Adaptation solutions#
			1. Pre-disaster prevention and preparedness • Engineering and infrastructure measures: comprehensive inspections of drainage systems, including drains, pipelines and flood-prone areas; routine desilting and clearing of drainage ditches, pipe networks and catch basins; maintenance of gate valves and installation of on-site emergency water tanks; upkeep of stormwater ponds, roof drains and stormwater filtration systems to manage runoff and prevent blockages • Emergency planning and drills: development and regular practice of flood, typhoon and spill-response plans; procedures include "sealing the plant" to prevent water intrusion; roles and responsibilities defined for continuity of utilities, material supply and key operations; establishment and training of dedicated emergency response teams • Material readiness: stockpiling of flood-control sandbags, water pumps, spill kits and other emergency equipment; rapid deployment mechanisms ensure materials are accessible during extreme weather • Preventive maintenance: routine preventive maintenance of backflow preventers, stormwater infrastructure and related systems to ensure readiness before heavy rainfall seasons; landscaping and vegetation maintained to improve drainage and reduce surface flooding risk 2. Disaster monitoring and early warning • Meteorological and environmental monitoring: continuous access to weather data for tracking rainfall intensity, water levels and high-risk areas; inspection of drainage ditches before storms to maintain discharge capacity • Warning dissemination: "call-and-response" communication methods, early-warning messages and internal plant notification systems ensure alerts reach all personnel; reminders issued to secure facilities and prepare emergency supplies • Local and municipal alerts: facilities respond to local emergency sirens and municipal severe-weather warnings; on-site systems alert employees to flooding, extreme weather and other hazards 3. Emergency response and post-disaster actions • Evacuation and safety measures: relocation of employees from high-risk areas when flood thresholds are reached; suspension of outdoor operations and intensified patrols during severe weather • Rescue and rapid response: rapid activation of teams for drainage operations, levee reinforcement and hazard containment; emergency call-tree systems and designated refuge points support personnel safety • Secondary disaster prevention: precautionary measures against electrical hazards, confined-space flooding, sanitation risks and other secondary impacts triggered by heavy precipitation • Recovery and restoration: prompt repair of water-damaged infrastructure, drainage system cleanup, sanitation and disinfection efforts, and evaluation of response actions to strengthen future resilience
Acute risk: Heavy precipitation and flooding risks	Canada, China, United States	Increasing risks of flooding and infrastructure damage	
Acute risk: Tropical cyclones and extreme weather	Canada, China, France, Germany, Hong Kong, India, Mexico, South Korea, United States	Threatening coastal manufacturing sites and supply chains	1. Pre-disaster prevention and preparedness • Precise monitoring and forecasting: using government meteorological forecasts and severe-weather alerts to anticipate high-risk events early • Targeted risk identification: maintaining risk registers and conducting inspections of vulnerable structures, low-lying areas, outdoor assets and critical infrastructure using tiered risk management • Emergency planning and drills: developing emergency plans for typhoons, hurricanes, tornadoes, floods, and severe storms; conducting plant-wide annual drills; ensuring employees know evacuation and shelter locations • Material readiness: stockpiling emergency supplies such as sandbags, water pumps, spill kits, and emergency tools; ensuring availability of emergency power devices or rental generators • Structural and asset protection: anchoring outdoor equipment and structures; ensuring buildings meet storm-resilience requirements • Utilities and communication: maintaining 24/7 emergency utility contact information; ensuring PA and alert systems have UPS power backup 2. Approaching-disaster warning and response • Progressive warnings: issuing rolling forecasts and internal alerts for wind, rain, tornado watches and severe storms • Employee alerts: following government circulars by issuing early warnings, suspending outdoor operations and increasing patrols • Relocation and sheltering: moving employees from high-risk areas, activating storm-shelter procedures and using hybrid evacuation where needed • Public and activity management: halting outdoor tasks and reducing exposure when risk levels escalate

* According to the Physical Risk Assessment of IPCC Climate related hazards – SSP5-8.5

\# Selected examples from main manufacturing sites only

Financial Impacts of Climate Related Risks and Opportunities

Most significant physical climate risks	Affected manufacturing locations*	Impacts	Adaptation solutions#
			3. Emergency response and rescue during disaster • Unified command and coordination: coordinating with emergency services, utilities, meteorology, and internal incident-management teams • Sheltering procedures: directing employees to designated safe locations • Critical infrastructure protection: prioritizing the stabilization of essential utilities (power, water, communications) • Secondary disaster prevention: monitoring for electrical risks, flooding, debris and post-storm health hazards • Emergency response actions: activating call-tree systems, contacting emergency services and deploying rapid-response teams 4. Post-disaster recovery and restoration • Rapid clearance and repair: removing debris, assessing damage and restoring operations and infrastructure quickly • Damage assessment and review: evaluating losses, identifying lessons learned and updating future contingency plans • Business continuity: maintaining continuity plans covering critical utilities, materials, labour availability and recovery priorities 5. Supply chain measures • Diversification and redundancy: developing secondary or alternate suppliers for critical materials to reduce dependency on single high-risk locations • Logistics contingency planning: establishing backup transportation routes, carriers and distribution channels to mitigate disruptions during storms or port closures • Supplier communication: maintaining early-warning communication channels with key suppliers to monitor disruptions and initiate pre-emptive actions • Inventory resilience: increasing safety stock for essential materials during cyclone or storm seasons to buffer potential delays • Supplier emergency preparedness: encouraging or requiring major suppliers to maintain their own extreme-weather emergency plans, backup power and infrastructure protection measures
Acute risk: Wildfires	Argentina, Brazil, China, India, Italy, Mexico, Poland, Türkiye, United States	Potentially damaging facilities and logistics routes	1. Fire control • Smoking is restricted to designated smoking zones equipped with proper cigarette-butt receptacles; smoking is strictly prohibited in all non-smoking areas to reduce ignition risk 2. Vegetation and ground maintenance • Professional landscaping or maintenance teams conduct routine clearing of greenery, removal of withered or dry vegetation, and ground covering where needed to minimize combustible materials 3. Fire detection and suppression systems • Facilities are equipped with automatic fire alarm systems and automatic water-sprinkler suppression systems, which are maintained regularly by certified third-party service providers to ensure rapid response in case of fire 4. Supply chain measures • Supplier diversification: developing alternative and secondary suppliers for critical materials to reduce dependency on high-risk regions during wildfire seasons • Logistics continuity planning: establishing backup logistics routes and transportation options to prepare for road closures, smoke-related delays, or distribution disruptions • Early-warning communication with suppliers: maintaining proactive communication channels to receive real-time updates on wildfire impacts affecting supplier operations, inventories or delivery schedules • Inventory buffering: increasing safety stock or pre-building inventory for essential materials during peak wildfire seasons to reduce exposure to supply delays • Supplier preparedness expectations: encouraging or requiring key suppliers to maintain their own wildfire response plans, such as defensible-space vegetation management, firebreaks, emergency shutdown procedures and backup power capability

* According to the Physical Risk Assessment of IPCC Climate related hazards – SSP5-8.5

\# Selected examples from main manufacturing sites only

Financial Impacts of Climate Related Risks and Opportunities

Future monitoring and updates

As this is Johnson Electric's first year publishing a climate risk assessment, we recognize that our processes, metrics and disclosures will continue to mature over time. We will regularly review and update our climate-related risk assessment to reflect evolving regulatory requirements, industry practices, customer expectations, scientific developments and improvements in data quality and availability.

Over time, future updates may incorporate enhanced methodologies, new data sources, emerging technologies and insights gained as we advance our decarbonisation initiatives and engagement across the value chain. These developments may, where relevant and based on reasonable and supportable information available at the time, contribute to more robust analysis, clearer prioritisation of climate-related risks and opportunities, and improved transparency regarding assumptions and sensitivities applied in our assessments.

At the same time, the Group recognizes that certain transition-related impacts remain difficult to attribute to climate drivers alone with the degree of precision that would support decision-useful external disclosure on a risk-by-risk basis, given the interconnected regulatory, geopolitical and market dynamics influencing outcomes. Internal modelling is therefore used primarily to support governance, planning and prioritisation, while external reporting focuses on directional effects, relative severity and the principal financial areas affected. Ongoing refinement and monitoring are focused on improving decision relevance, consistency and integration with the Group's broader strategy, governance and enterprise risk-management processes, rather than on precision for its own sake.

Integration into risk management framework

The climate risk assessment is integrated into Johnson Electric's Group-wide risk management framework. Climate-related risks are evaluated with reference to our Group risk criteria and methodologies to ensure comparability with other strategic, operational and financial risks, and incorporated into the overall risk assessment to support prioritisation and management attention. These assessments inform both short- and long-term business planning, including operational continuity, capital planning, and technology strategy, and are reviewed through established management and Board oversight channels.

Trade-offs in climate related decisions

Climate-related decisions at Johnson Electric often involve balancing ambitious decarbonisation targets with the technical and regional realities of our global operations. While we have already achieved 100% renewable electricity across all facilities, a key challenge lies in addressing direct emissions from gas-fired systems, including furnaces used in production processes and the gas heating required to maintain safe working conditions in cold-climate locations. Decarbonizing these critical processes demands careful evaluation of emerging alternatives, each varying in technological readiness, reliability, and regional infrastructure availability. These trade-offs must also consider product quality, operational continuity, and cost competitiveness. By taking a transparent, analytical and phased approach to these harder-to-abate emissions, Johnson Electric aims to continue driving meaningful climate progress while safeguarding the performance, resilience and efficiency of our global manufacturing footprint across different regulatory and market environments.

Supply Chain

This year, we have focused more than ever on working with our suppliers to achieve stronger ESG performance across Johnson Electric's entire value chain. Our ambitious, science-based Scope 3 reduction targets act as a North Star for collaborative efforts towards a range of shared sustainability goals, all supported by effective guidance and robust monitoring.

Robert Gillette
SVP, Supply Chain Services



Our Approach

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

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

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

Our Supply Chain Sustainability Framework summarizes our overall approach, targets and actions, and can be found on page 154 of this report.

Sustainable Procurement Policy

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

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

To reduce carbon emissions in our supply chain, we require sourcing decision-makers, including purchasing personnel, to consider manufacturing and logistics-related emissions when selecting suppliers, where data is available. They must also comply with regulatory requirements on carbon pricing, taxes and fees, including the European Union Emissions Trading System (EU ETS), the Carbon Border Adjustment Mechanism (CBAM), and other emissions trading schemes in various countries. These measures ensure carbon impacts are integrated into procurement decisions.

Supplier Terms and Conditions

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

Supplier Code of Conduct

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

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

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

Standards included in our Supplier Code include:

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

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

In FY25/26, 78% of our suppliers have acknowledged our Supplier Code.

78%

of suppliers have acknowledged our Supplier Code

Supplier ESG Assessment

We partner with third-party specialists to evaluate the ESG performance of our key suppliers, as determined based on commodity-level sustainability priority and spending level. These assessments are conducted primarily through a structured supplier ESG survey. New suppliers are also required to undergo an independent ESG assessment if they provide commodities critical to our sustainability priorities, if such assessments are requested by our customers, or if other business considerations apply.

In FY25/26, we once again implemented the Sustainability Assessment Questionnaire ("SAQ") introduced by Drive Sustainability, an automotive partnership facilitated by CSR Europe. The SAQ is designed in accordance with the Global Automotive Sustainability Guiding Principles and enables Johnson Electric to meet automotive customer expectations for supply chain ESG management. Suppliers may also provide an up-to-date sustainability assessment scorecard from EcoVadis as an alternative to completing the SAQ.

We invited 404 suppliers to take part in our FY25/26 ESG assessment, achieving an impressive 97% completion rate. Spending by these assessed suppliers represented 88% of our total direct material expenditure, underlining the significance of their contribution.

88%

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

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

Suppliers' ESG assessment performance (as of March 2026):

ESG assessment criteria	FY24/25	FY25/26	Difference
Have set greenhouse gas emissions reduction targets	54%	62%	+8%
Have an environmental policy	84%	91%	+7%
Have a health and safety policy	83%	90%	+7%
Have a human rights policy	82%	90%	+8%
Have a business ethics policy	86%	91%	+5%
Have a Code of Conduct	93%	95%	+2%
Have set CSR requirements for their upstream suppliers	60%	70%	+10%

We also assessed renewable electricity adoption among our key suppliers. In FY25/26, 16% of our direct material spending came from suppliers who operate with renewable electricity, an increase from 11% in the previous year. Our long-term goal is to reach 100% direct material spending with key suppliers using renewable electricity by 2050. Key suppliers are defined within the ESG assessment scope outlined in our sustainable procurement guidelines, based on commodity-level sustainability priority and spending level.

Target: **100%**

direct material spending on key suppliers using renewable electricity by 2050

Based on suppliers' ESG performance data as of March 2026:

- 35 suppliers whose ESG performance ranked in the top 10% have been awarded "ESG Excellent" certificates
- Among suppliers in the bottom 10% for social assessment in 2024, 21 showed improvement
- Among suppliers in the bottom 10% for environmental assessment in 2024, 30 showed improvement
- According to our sustainable procurement policy, the bottom 10 suppliers over a three-year total assessment period shall become ineligible for new business until improvements are made. As of December 2025, 10 suppliers have been made ineligible for new business

We have prepared a 2025 Supplier Sustainability Performance report for each assessed supplier to recognize their contributions to Johnson Electric's ESG assessment in 2025, provide performance insights, and outline next steps.

Supply Chain

Supplier On-site ESG Audit

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

In FY25/26, a total of 12 suppliers have been audited for their ESG performance.

Responsible Minerals Management

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

In FY25/26, we conducted a Reasonable Country of Origin Inquiry (RCOI) for 418 suppliers of 3TG and 197 suppliers of mica and cobalt. As of December 2025, the CMRT completion rate is 98%, up from 95% last year, while that of EMRT is 96%, up from 91% last year.

98%

CMRT completion rate by suppliers

91%

EMRT completion rate by suppliers

Our direct purchases of 3TG are sourced exclusively from suppliers certified as conflict-free by the London Bullion Market Association (LBMA) or through the Responsible Minerals Assurance Process (RMAP). We have implemented a due diligence program aligned with the OECD's Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. To further mitigate risks related to our suppliers' smelters, we developed an in-house, AI-driven solution in FY24/25 that automates the review of CMRT and EMRT submissions and facilitates requests for corrective actions where necessary.

Supply Chain Sustainability Training

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

In 2025, 10 sustainability training sessions were conducted. 94% of targeted employees* were trained in supply chain sustainability. We also provided sustainability training to our suppliers, covering guidance on suppliers' ESG assessment, CMRT and EMRT requirements as well as sharing our sustainability highlights and expectations with our suppliers.

In addition, we created the Johnson Electric Supplier Sustainability Training hub. This hub is designed to provide our suppliers with easy access to our supplier CMRT, EMRT, ESG policy and training documents, as well as to gather supplier feedback on our sustainability training.

94%

of targeted employees* were trained in supply chain sustainability

* Targeted employees are defined as buyers and commodity leaders in supply chain departments across all locations who manage supplier contact and relationships

Supply Chain

Supply Chain Sustainability Framework

Key elements / Targets

Environment & Products

1 Climate Change – Carbon Emissions

Reduce Scope 3 carbon emissions by 35% by FY34/35 (Category 1: Purchased goods and services), from baseline FY22/23

2 Climate Change – Renewable Energy

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

3 Pollution and Waste – Packaging Material

Continue to provide returnable packaging to customers

Employees & Communities

4 Human Capital – Health and Safety

Extend our occupational health and safety culture to all suppliers

5 Controversial Sourcing – Raw Materials

Adopt responsible mineral policy for 3TG* and cobalt by avoiding buying from sources in or associated with conflict zones

6 Controversial Sourcing – Human/Labour Rights Violators

Avoid suppliers who are employing child and/or forced labour

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

Trust & Transparency

7 Corporate Behaviour – Business Ethics

Extend our ethics policy to suppliers and conduct business solely with ethical suppliers

8 Corporate Behaviour – Anti-corruption

Develop and implement a robust supply chain governance system

9 Corporate Behaviour – Risk Management

Eliminate high-risk suppliers or help them to reduce risk

10 Supplier Code of Conduct

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

11 Supplier Terms and Conditions

Include terms outlining ESG requirements applicable to all suppliers

12 Training

Develop and maintain internal and external supply chain training plans

13 Suppliers ESG Assessment

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

14 Supplier Audits

Maintain an audit process and audit key suppliers

15 Policies & Procedures

Document processes within our standard internal operating procedures and policies

Version: June 2026

Key Performance Indicators

Environment – Energy and Climate

Items	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/ SASB/IFRS S2
Total energy consumption within the organization	3,219,118	3,046,711	3,080,577	2,965,557	2,849,356	2,626,427	GJ	GRI 302-1, A2.1, TR-AP-130a.1, RT-IG-130a.1
Percentage of energy consumed from grid electricity [2]	82.9	82.4	82.3	83.1	n/a	n/a	%	TR-AP-130a.1, RT-IG-130a.1
Percentage of renewable energy in total energy consumption	83.4	69.1	44.0	21.6	6.3	n/a	%	TR-AP-130a.1, RT-IG-130a.1
Percentage of renewable electricity in total electricity consumption	100	83.3	53.2	26.0	7.6	n/a	%	
Total energy consumption from non-renewable sources	535,055	942,776 [1]	1,725,419	2,325,426	2,669,847			
Electricity	0	421,075	1,194,070	1,825,254	2,167,359			
Natural gas	500,329	485,675	496,118	460,860	463,155			
Steam	8,887	10,321	8,984	8,715	10,126			
Liquefied petroleum gas	5,480	5,756	5,522	6,766	4,172	n/a	GJ	GRI 302-1, A2.1
Gasoline	8,096	8,228	6,007	7,705	6,426			
Diesel	4,433	3,898	5,707	5,675	6,539			
District heating	3,317	3,830	4,042	3,388	n/a [3]			
Others [4]	4,513	3,993 [1]	4,969	7,063	12,070			

Key Performance Indicators

Key Performance Indicators

Items	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/ SASB/IFRS S2
Total energy consumption from renewable sources	2,684,063	2,103,935 [1]	1,355,158	640,131	179,509			
Renewable electricity								
Energy suppliers	174,828	176,579	186,101	n/a	n/a			
Renewable electricity certificates (RECs)	1,160,446	1,102,996	1,154,212	n/a	n/a	n/a	GJ	GRI 302-1
Power purchase agreements (PPA)	1,332,238	809,180	0	n/a	n/a			
Solar panels	16,195	15,053	14,845	n/a	n/a			
Biomethane	356	127 [1]	0	n/a	n/a			
Total renewable electricity sold [5]	1,070	1,067	1,044	1,111	n/a	n/a	GJ	GRI 302-1
Energy intensity within the organization [6]	881.8	835.3	807.7	813.3	826.8	832.3	GJ/US$ million sales	GRI 302-3, A2.1
Reductions in energy consumption as a direct result of conservation and efficiency initiatives [7]	4,237	5,330	26,172	8,230	17,340	n/a	GJ	GRI 302-4
Scope 1 emissions [8]	31,355	30,923	33,211	29,642	27,563	26,122		
Mobile energy (own fleet)	1,224	1,248	1,014	1,252				
Stationary energy	28,463	27,563	28,457	26,568	n/a	n/a	$t CO_2$ eq.	GRI 305-1, A1.1/D(IV) 28(a), S2 29(a)(i)
Refrigerants	1,668	2,112	3,740	1,822				

Items	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/ SASB/IFRS S2
Scope 2 emissions (location-based) [8]	356,070	346,316	346,243	335,720	n/a	n/a	$t CO_2$ eq.	GRI 305-2, A1.1/D(IV) 28(b), S2 29(a)(i)
Scope 2 emissions (market-based) [9]	585	45,433 [9]	116,602	217,788	292,109	282,514		
Grid electricity – market-based	0	44,738 [9]	115,952	217,168				
District heating	152	180	202	199	n/a	n/a	$t CO_2$ eq.	GRI 305-2, A1.1/D(IV)28(b), S2 29(a)(i)
Cooling consumption	0	0	0	0				
Purchased steam	433	515	448	421				
Scope 1 and Scope 2 [9]								
Location-based emissions	387,425	377,239 [10]	379,454	365,362 [10]	n/a	n/a	$t CO_2$ eq.	A1.1/D(IV)28, S2 29(a)(i)
Market-based emissions	31,940	76,356 [9]	149,813	247,430	319,672	308,636		
Reduction in carbon emissions (Scope 1 and Scope 2 market-based) as a direct result of reduction initiatives [11]	44,416	73,457 [9]	97,617	72,242	0	n/a	$t CO_2$ eq.	GRI 305-5

Key Performance Indicators

Items	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/ SASB/IFRS S2
Carbon emissions intensity (Scope 1 and Scope 2 market-based)	8.7	20.9 [9]	39.3	67.9	92.8	97.8	t CO_2 eq/ US$ million sales	GRI 305-4, A1.1
Carbon emissions intensity (Scope 1 and Scope 2 market-based) reduction	12.2	18.3 [9]	28.6	24.9	5.0	2.1	t CO_2 eq/ US$ million sales	
Scope 3 [12]	Not available [13]	10,638,128	10,686,188	11,329,130	n/a	n/a	t CO_2 eq.	GRI 305-3
Category 1 – Purchased goods and services		908,472	1,077,210	1,244,069				
Category 11 – Use of sold products		9,729,656	9,608,978	10,085,061				

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

1. Revised owing to reclassification of biomethane from a non-renewable source to a renewable source.
2. Percentage calculated as purchased grid electricity consumption (both renewable and non-renewable) divided by total energy consumption.
3. District heating in FY20/21 was reported in "others".
4. Other non-renewable sources comprises heating oil and jet fuel as of FY22/23. In FY21/22, it comprised district heating, heating oil and jet fuel.
5. In late 2021, we installed solar panels for renewable electricity generation in our Hong Kong manufacturing plant. By participating in Hong Kong's Feed-in Tariff Scheme, the renewable electricity generated has been sold to CLP Hong Kong.
6. The baseline for our energy intensity target is 827.1 GJ/US$ million in FY19/20.
7. Energy saved was based on energy savings from projects.
8. The calculation involved the use of Sphera's Corporate Sustainability (SCCS) Impact Libraries emission factors, drawing on external data sources such as the UK Department for Environment, Food and Rural Affairs (Defra), the International Energy Agency (IEA), the US Environmental Protection Agency (EPA), the Intergovernmental Panel on Climate Change (IPCC) and the Greenhouse Gas (GHG) Protocol. Location-based Scope 2 data is only available from FY22/23, when we started using SCCS.
9. Supplier-specific emission factors and country-specific conversion factors have been applied in calculating market-based Scope 2 carbon emissions from electricity consumption. Scope 2 market-based emissions for FY24/25 have been revised to reflect the correction of market-based grid electricity data at the South Korea site.
10. Revised due to calculation errors.
11. Formula = Scope 1 and 2 emissions of this fiscal year – Scope 1 and 2 emissions of last fiscal year.
12. Summary of Scope 3 categories included within the target boundaries only.
13. Data for FY25/26 is not yet available as the assessment is in progress. It will be published in next year's Sustainability Report.

Environment – Waste

Items	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/ SASB/IFRS S2
Total waste from own operations	107,744	107,278	108,477	110,084 [14]	108,496	96,099	t	GRI 306-3, A1.3, A1.4
Hazardous and non-hazardous								
Hazardous waste	8,009	8,298	8,508	9,554 [14]	9,320	8,708	t	GRI 306-3, A1.3, A1.4
Non-hazardous waste	99,735	98,980	99,969	100,530	99,176	87,391		
Manufacturing and non-manufacturing waste								
Manufacturing waste	105,065	104,336	105,305	103,867 [14]	n/a	n/a	t	TR-AP-150a.1
Non-manufacturing waste [15]	2,679	2,942	3,172	6,217	n/a	n/a		
Total waste generation intensity [16]	29.5	29.4	28.4	30.2	31.5	30.4	t/US$ million sales	
Hazardous waste intensity [16]	2.19	2.27	2.23	2.62	2.70	2.76		
Non-hazardous waste intensity	27.32	27.14	26.21	27.57	28.78	27.69		
Percentage of waste hazardous	7.4	7.7	7.8	8.7	8.6	9.1	%	TR-AP-150a.1
Total waste diverted from disposal	101,094	100,483	101,325	102,727	91,035	81,835	t	GRI 306-4
Hazardous waste recycled	7,023	7,374	7,568	8,306	n/a	n/a		
Non-hazardous waste recycled	94,071	93,109	93,757	94,421				

Key Performance Indicators

Items	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/ SASB/IFRS S2
Percentage of waste recycled [17]	93.8	93.7	93.4	93.3	83.9	85.2	%	TR-AP-150a.1
Absolute waste to disposal	6,650	6,795	7,152	7,357 [14]	17,461	14,264	t	GRI 306-5
Hazardous waste directed to disposal by waste treatment type	986	924	940	1,248 [14]				
Incineration (with energy recovery)	511	528	512	643	n/a	n/a	t	GRI 306-5
Incineration (without energy recovery)	475	394	428	605				
Landfilling	0	2	0	0				
Non-hazardous waste directed to disposal by waste treatment type	5,664	5,871	6,212	6,109				
Incineration (with energy recovery)	4,914	4,781	5,072	951	n/a	n/a	t	GRI 306-5
Incineration (without energy recovery)	274	54	53	4,095				
Landfilling	476	1,036	1,087	1,063				
Waste to disposal intensity	1.8	1.9	1.9	2.0	5.1	4.5	t/US$ million sales	GRI 306-5
Absolute waste to landfill	476	1,038	1,087	1,063	n/a	n/a	t	
Percentage of waste to landfill [18]	0.44	0.97	1.00	0.97	n/a	n/a	%	

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

14. Revised due to calculation errors.
15. Non-manufacturing waste includes medical waste, general waste and food waste.
16. The baseline year for our total waste intensity and hazardous waste intensity is FY20/21.
17. Percentage of waste recycled = total waste diverted from disposal ÷ total waste from own operations x 100%.
18. Percentage of waste to landfill = absolute waste to landfill ÷ total waste from own operations x 100%.

Environment – Water

Items	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/ SASB/IFRS S2
Total water withdrawal by source								
All area	2,399	2,346	2,622	2,580	2,780	2,729		
Surface water	54	112	122					
Groundwater	35	33	24					
Seawater	0	0	0	n/a	n/a	n/a	megalitres	GRI 303-3
Produced water	0	0	0					
Third-party water	2,310	2,201	2,476					
Areas with water stress [19]	61	47 [20]	49 [20]					
Surface water	0	0	0					
Groundwater	12	10 [20]	7 [20]	n/a	n/a	n/a	megalitres	GRI 303-3
Seawater	0	0	0					
Produced water	0	0	0					
Third-party water	49	37	42					
Water withdrawal intensity [21]	0.66	0.64	0.69	0.71	0.81	0.87	megalitres/ US$ million sales	
Total water withdrawal by utilization methods								
For production process	295	293	303	338	306	295	megalitres	
For domestic use	2,104	2,053	2,319	2,242	2,474	2,434		

Items	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/ SASB/IFRS S2
Total water discharge, by level of treatment								
All areas	2,092	2,069	2,305	2,276	2,452	2,405		
Tertiary treatment	179	158	163					
Secondary treatment	9	8	0					
Primary treatment	20	20	21					
Discharge to the natural environment without treatment	0	0	0	n/a	n/a	n/a	megalitres	GRI 303-4
Discharge to a third party without treatment	1,884	1,883	2,121					
Areas with water stress	38	28	28					
Tertiary treatment	0	0	0					
Secondary treatment	9	8	0					
Primary treatment	0	1	6					
Discharge to the natural environment without treatment	0	0	0	n/a	n/a	n/a	megalitres	GRI 303-4
Discharge to a third party without treatment	29	19	22					
Total water consumption [22]	307 [22]	277	317	304	328	324	megalitres	GRI 303-5, A2.2
Water consumption intensity [21]	0.084 [22]	0.076	0.083	0.083	0.095	0.103	megalitres/ US$ million sales	A2.2

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

19. Water stress refers to high and medium levels of water stress in countries where our sites are located. High water-stress locations include Israel and South Korea while medium water-stress locations include India.
20. Revised by supplementing previously missing data.
21. The baseline year for our water withdrawal intensity and water consumption intensity target is FY20/21.
22. Total water consumption = water withdrawal – water discharge. The sites in Shajing, Jiangmen and Nanjing, China increased internal water reuse in FY25/26, which reduced total water discharge. Under GRI 303-5, water consumption appears higher when reuse reduces discharge; however, this does not represent additional water being consumed. Actual water consumption remained stable because the reused water stayed within the operational cycle rather than being withdrawn or lost from the system.

Key Performance Indicators

Environment – Emissions

Items	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/ SASB/IFRS S2
Air emissions	71.5	51.6	39.0	52.5	75.4	39.0		
Volatile organic compounds (VOC)	52.0	46.4	30.0	34.3	52.2	34.5		
Nitrogen oxides (NOx)	12.0 [23]	4.1	6.5	11.1	n/a	n/a		
Particulate matter (PM)	2.3	0.8	2.2	5.2	15.4	2.6	t	GRI 305-7
Sulphur oxides (SOx)	5.0 [23]	0.1	0.1	0.1	0.3	0.1		
Others	0.2	0.2	0.2	1.8	7.5	1.8		
Production, imports, and exports of ozone-depleting substances	0	0	0	0	n/a	n/a	t CFC – 11 eq.	GRI 305-6

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

23. Detectable SOx and NOx concentrations were recorded at the Jiangmen site in FY25/26, whereas these pollutants were not detected by the measuring instruments in FY24/25. This difference is attributed to variations in the quality of natural gas purchased and supplied to the site. The recorded concentrations remain well below applicable government limits, at more than 90% lower than the regulatory thresholds.

Environment – ISO Certificate Status

Items	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/ SASB/IFRS S2
Entities certified to ISO 14001	43	44	45	45			no.	
Percentage by number of manufacturing sites [24]	100	100	100	100	n/a	n/a	%	
Percentage by energy consumption	99.6	99.8	99.9	n/a				
Entities certified to ISO 50001	10	10	11	11			no.	
Percentage by number of manufacturing sites [24]	15	15	15	15	n/a	n/a	%	
Percentage by energy consumption	54	53	52	n/a				

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

24. There were 33 Johnson Electric manufacturing sites globally in FY25/26.

Products

Items	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/ SASB/IFRS S2
Revenue from products designed to increase fuel efficiency and/or reduce emissions [25]	1,706	1,732	1,820	1,645	n/a	n/a	US$ million	TR-AP-410a.1
Number and percentage of total products sold or shipped subject to recalls for safety and health reasons	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	no. (%)	GRI 416-2, B6.1, TR-AP-250a.1
Number of valid product and service-related complaints received	651	725	1,088	971	993	853	cases	B6.2
Monthly average of valid product and service-related complaints received	54	60	91	81	83	71	cases	
Valid product and service-related complaints received as a ratio of sales	0.178	0.199	0.285	0.266	0.287	0.266	cases/ US$ million sales	
Internal defect costs related to in – process failure as a ratio of sales [26]	0.397	0.435	0.509	0.467	0.560	0.468	%	
Cost of packaging materials incurred [27]	34.6	30.1	31.8	32.9	30.8	29.9	US$ million	A2.5
Packaging material use avoided by providing returnable packaging services to customers [28]	1,540	1,130	404	n/a	n/a	n/a	t	

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

25. Automotive products only. Revenues from the sale of non-automotive products are excluded from this metric.
26. Formula = internal defect costs in all three operating regions (Asia, EMEA and Americas) ÷ total sales x 100%.
27. The weight of packaging materials used in finished goods is not available; therefore, we disclose the spending on packaging materials incurred. For FY24/25 and prior years, the data comprises 9 months of actual results (up to 31 December) and 3 months of estimates. Following enhancements to the in-house data collection process, FY25/26 data comprises actual figures for all 12 months.
28. Data covers Asia only. Information is collected on a calendar-year basis (1 January to 31 December) rather than the fiscal year (1 April to 31 March).

Key Performance Indicators

Employees – Health and Safety

Items	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/ SASB/IFRS S2
Work-related fatalities	0	0	0	0	0	1	cases	GRI 403-9, B2.1
Work-related fatalities rate	0	0	0	0	0	0.002	rate	GRI 403-9, B2.1, RT-IG-320a.1
Lost-time accidents [29]	53	76	105	93	89	70	cases	
Lost-time accident rate (per 200,000 hours worked, OSHA) [30]	0.134	0.180	0.239	0.197	0.183	0.144	rate	GRI 403-9, B2.2
Lost-time accident rate (per 1,000,000 hours worked) [30]	0.672	0.902	1.195	0.986	0.915	0.720	rate	
Lost days	4,265	3,752	3,065	3,328	3,286	3,351	days	
Lost-time accident severity rate [31]	0.054	0.045	0.035	0.035	0.034	0.034	rate	B2.2
All recordable injuries [32]	114	155	190	171	184	195	cases	
Recordable injury rate (per 200,000 hours worked, OSHA) [33]	0.289	0.368	0.432	0.363	0.378	0.401	rate	GRI 403-9, B2.2
Recordable injury rate (per 1,000,000 hours worked) [33]	1.446	1.839	2.162	1.813	1.892	2.006	rate	
Recordable injuries (excluding lost-time accidents)	61	79	85	78	95	125	cases	
First-aid incidents	417	495	383	419	356	n/a	cases	
Near-misses communicated	1,640	1,348	1,096	782	387	n/a	cases	RT-IG-320a.1
Near-miss frequency rate [34]	4.16	3.2	2.49	1.66	0.80	n/a	rate	RT-IG-320a.1
Hazards communicated [35]	21,345	15,945	10,295	7,227	4,131	n/a	cases	

Key Performance Indicators

Items	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/ SASB/IFRS S2
Work-related ill health	6	11	4	4	8	13	cases	GRI 403-10
Hours worked	78,823,926	84,265,420	87,894,334	94,312,048	97,263,445	97,225,639	hours	GRI 403-9
Percentage of all operational sites for which an employee health and safety risk assessment has been conducted [36]	79	79	79	74	74	n/a	%	
Percentage of the total workforce across all locations represented in formal joint management-worker health and safety committees [37]	92	92	92	n/a	n/a	n/a	%	
Entities certified to ISO 45001	36	37	38	34	34	n/a	no.	
Percentage by number of manufacturing sites [38]	79	79	79	74	74	n/a	%	GRI 403-8
Percentage by number of hours worked	92	92	92	n/a	n/a	n/a	%	

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

29. Lost-time accidents refer to recordable injuries with lost-time of more than one working day.
30. Lost-time accident rate (per 200,000 hours worked) = the number of lost-time accidents x 200,000 ÷ total hours worked. Lost-time accident rate (per 1,000,000 hours worked) = total number of lost-time injury events x 1,000,000 ÷ total hours worked.
31. Lost-time accident severity rate = number of days lost due to injuries x 1,000 ÷ total hours worked.
32. Recordable injuries include all injuries except first-aid cases.
33. Recordable injury frequency (per 200,000 hours worked) = the number of recordable injuries x 200,000 ÷ total hours worked. Recordable injury frequency (per 1,000,000 hours worked) = the number of recordable injuries x 1,000,000 ÷ total hours worked.
34. Near-miss frequency rate = the number of near-misses communicated x 200,000 ÷ total hours worked. Proper communication of near-miss cases makes us better equipped to spot potential hazards, suggest improvements and develop a safety prevention culture.
35. Proper communication of hazard cases allows us to suggest improvements and develop a safety prevention culture.
36. Manufacturing sites only. Our manufacturing sites certified to ISO 45001 occupational health and safety management system carried out employee health and safety risk assessments as a mandatory requirement of the management system.
37. Calculated by hours worked in manufacturing sites with ISO 45001 certificates ÷ total hours worked.
38. There were 33 Johnson Electric manufacturing sites globally in FY25/26.

Employees – Diversity, Equity and Inclusion

Items	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/ SASB/IFRS S2
Total number of workforce [39]	31,167	31,166	34,100	35,554	38,511	39,442		
Employees	27,751	27,574	29,823	31,329	n/a	n/a	no.	GRI 2-7, B1.1, RT-IG-000.B
Contingent workers or non-employees [40]	3,416	3,592	4,277	4,225	n/a	n/a		
Percentage of workforce, by gender								
Male	63	62	61	59	61	59	%	GRI 2-7, GRI 405-1, B1.1
Female	37	38	39	41	39	41		
Percentage of workforce, by region								
Asia	73	71	70	70	72	74		
EMEA	14	15	16	16	16	15	%	GRI 2-7, B1.1
Americas	13	14	14	14	12	11		
Percentage of workforce, by age								
Under 30 years old	21	21	21	22	21	28		
30 – 50 years old	63	64	67	67	66	63	%	GRI 405-1, B1.1
Over 50 years old	16	15	12	11	13	9		

Key Performance Indicators

Items	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/ SASB/IFRS S2
Percentage of workforce, by contract type								
Full time	99.3	99.4	99.4	99.6	99.5			
Male: Female	62:38	61:39	61:39	59:41	61:39	n/a	%	GRI 2-7, B1.1
Asia: EMEA: Americas	70:15:15	69:16:15	71:15:14	68:17:15	71:16:13			
Part-time	0.7	0.6	0.6	0.4	0.5			
Male: Female	58:42	58:42	56:44	54:46	45:55	n/a	%	GRI 2-7, B1.1
Asia: EMEA: Americas	8:81:11	6:85:9	7:82:11	3:79:18	9:78:13			
Percentage of workforce, by employment role								
Manufacturing operators	54	55	59	60	63	64		
Technicians and other operational and administrative support	27	27	26	25	23	22	%	B1.1
Individual contributor/ supervisory	15	14	12	12	11	11		
Managerial	4	4	3	3	3	3		
Percentage of managerial positions, by gender [41]								
Male	80	80	80	81	81	81	%	GRI 405-1
Female	20	20	20	19	19	19		

Items	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/ SASB/IFRS S2
Percentage of senior management positions, by gender [42]								
Male	85	87	87	n/a	n/a	n/a	%	
Female	15	13	13					
Gender pay gap (ratio of the basic salary and remuneration of women to that of men) [43]								
By employment role								
Manufacturing operators	87:100	82:100	83:100	83:100				
Technicians and other operational and administrative support	72:100	75:100	74:100	69:100				
Individual contributor/ supervisory	80:100	79:100	77:100	78:100				
Managerial	89:100	89:100	71:100	85:100				
By region								
Asia	66:100	65:100	62:100	65:100				
EMEA	46:100	46:100	43:100	41:100				
Americas	67:100	67:100	67:100	64:100	n/a	n/a	%	GRI 405-2
Global	61:100	61:100	58:100	58:100				

Key Performance Indicators

Items	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/ SASB/IFRS S2
Gender pay gap (ratio of the basic salary and remuneration of women to that of men), by employment role in significant locations [43,44]								
Shajing and Jiangmen, China								
Manufacturing operators	101:100	101:100	101:100					
Technicians and other operational and administrative support	92:100	92:100	91:100	n/a	n/a	n/a	%	GRI 405-2
Individual contributor/ supervisory	85:100	84:100	83:100					
Managerial	89:100	91:100	87:100					
Niš, Serbia								
Manufacturing operators	101:100	101:100	101:100					
Technicians and other operational and administrative support	91:100	90:100	90:100	n/a	n/a	n/a	%	GRI 405-2
Individual contributor/ supervisory	82:100	82:100	81:100					
Managerial	86:100	93:100	89:100					
Zacatecas, Mexico								
Manufacturing operators	100:100	100:100	100:100					
Technicians and other operational and administrative support	85:100	82:100	81:100	n/a	n/a	n/a	%	GRI 405-2
Individual contributor/ supervisory	82:100	83:100	85:100					
Managerial	96:100	91:100	84:100					
Hong Kong SAR								
Technicians and other operational and administrative support	87:100	93:100	94:100	n/a	n/a	n/a	%	GRI 405-2
Individual contributor/ supervisory	102:100	98:100	98:100					
Managerial	95:100	92:100	92:100					
Total number of allegation cases related to discrimination [45]								
Raised and under review and investigation	0	1	2	0	0	n/a	no.	GRI 406-1
Closed with remediation plans being implemented	0	1	0	0	0			
Withdrawn	0	0	0	0	0			

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

39. The number of employees was recorded as of 31 March 2026. There were no significant fluctuations in employee numbers during the reporting period or between reporting periods.
40. Contingent workers are individuals who are not employees but are engaged by third parties to perform services for our company, functioning much like employees.
41. Managerial positions refer to grade 6 and above.
42. Senior management positions refer to grade 4 and above.
43. Formula of gender pay gap = (average base salary of female employees ÷ average base salary of male employees) x 100%.
44. Significant locations are defined as our largest manufacturing sites in each region and our Hong Kong SAR headquarters.
45. Cases reported through our whistle-blower hotline.

Key Performance Indicators

Employees – Talent Attraction and Retention

Items	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/ SASB/IFRS S2
Turnover rate [46,47]	30.1	38.1	46.1	62.1	n/a	n/a	%	B1.2
By gender								
Male	34.2	42.8	50.6	71.7	n/a	n/a	%	B1.2
Female	23.4	30.7	39.0	48.5				
By region								
Asia	35.4	45.3	55.7	77.1	n/a	n/a	%	B1.2
EMEA	14.2	21.9	19.9	30.0				
Americas	21.6	23.7	32.6	37.8				
By age								
Under 30 years old	84.1	94.4	104.0	142.4	n/a	n/a	%	B1.2
30 – 50 years old	19.2	28.4	36.3	49.1				
Over 50 years old	12.7	15.1	14.8	18.8				
By employment role								
Manufacturing operators	49.3	62.0	74.3	n/a	n/a	n/a	%	B1.2
Technicians and other operational and administrative support	10.9	14.3	11.9					
Individual contributor/ supervisory	12.1	11.8	13.9					
Managerial	10.6	9.6	11.2					
Total number of new employees hired [48]	7,311	n/a	n/a	n/a	n/a	n/a	%	
Percentage of total eligible employees who received a regular performance and career development review [49]	100	100	100	100	100	n/a	%	GRI 404-3

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

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

Employees – Training and Development

Items	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/ SASB/IFRS S2
Total training hours [51]	102,433	115,088	114,721	151,192	179,000	114,000	hours	GRI 404-1, B3.1
Percentage of employees who received training [51]	40.7	96.7	53.2 [50]	43.4	32.0	35.9	%	GRI 404-1, B3.1
By gender								
Male	42.6	95.2	55.0 [50]	44.7	32.4	n/a	%	GRI 404-1, B3.1
Female	37.4	99.1	50.3 [50]	41.5	31.3	n/a		
By employee role								
Manufacturing operators	25.0	93.5	39.9 [50]	29.8	21.9	24.6	%	GRI 404-1, B3.1
Technicians and other operational and administrative support	43.3	99.3	56.0	73.8	33.2	48.9		
Individual contributor/ supervisory	81.5	100	97.9	33.0	65.4	56.2		
Managerial	86.0	100	100	100	100	100		
Average training hours per employee [51]	3.3	3.7	3.4 [50]	4.3	4.7	2.9	hours	GRI 404-1, B3.2
By gender								
Male	3.5	3.8	3.4 [50]	4.9	5.5	n/a	hours	GRI 404-1, B3.2
Female	2.9	3.5	2.8 [50]	3.2	3.4	n/a		

Key Performance Indicators

Items	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/ SASB/IFRS S2
By employment role								
Manufacturing operators	1.5	1.6	1.5 [50]	2.7	4.0	1.9	hours	GRI 404-1, B3.2
Technicians and other operational and administrative support	3.7	4.0	3.6	7.9	4.0	3.7		
Individual contributor/ supervisory	8.0	9.8	8.7	3.7	7.1	5.9		
Managerial	7.2	9.3	8.7	8.1	13.6	8.0		
Percentage of employees trained, by employment role and by selected training topics [51]								
Manufacturing operators								
Environmental issues	1.5	0.7	n/a	n/a	n/a	n/a	%	
Health and safety	14.8	14.1						
All other employees [52]								
Environmental issues	7.0	5.0						
Health and safety	30.8	29.4						
Diversity, equity and inclusion	9.3	9.3	n/a	n/a	n/a	n/a	%	
Governance and oversight	10.7	96.8						

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

50. Excludes group training on ethics delivered to "Other employees" (manufacturing operators).
51. Excludes on-the-job training which is not tracked in our learning management system. For training data by gender, gender data was available for 99.9% of employees. For the remaining 0.1%, gender was not disclosed. Where totals are presented, proportional estimation based on the known gender distribution was applied. The impact of this estimation on overall gender ratios is immaterial.
52. All other employees refer to technicians and other operational and administrative support, individual contributor/supervisory and managerial positions.

Employees – Communication

Items	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/ SASB/IFRS S2
Regular employee engagement survey								
Number of employees invited	26,763	–	14,157	–	11,009	–	no.	
Response rate	76 [53]	–	82	–	76	–	%	
Engagement index	64 [53]	–	72	–	70	–	%	

53. The number of employees invited to participate in the engagement survey increased 85% compared with FY23/24 as manufacturing operators in China were included for the first time. Without operators, the engagement index would be 72%, which is the same level as in FY23/24 survey.

Employees – Labour Rights

Items	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/ SASB/IFRS S2
Percentage of direct employees covered by a living wage benchmarking analysis	38.2 [54]	n/a	n/a	n/a	n/a	n/a	%	
Percentage of employees with an employee representative	84	n/a	n/a	n/a	n/a	n/a	%	
Child labour cases identified or reported by whistle-blower hotline	0	0	0	n/a	n/a	n/a	no.	
Forced labour cases identified or reported by whistle-blower hotline	0	0	0	n/a	n/a	n/a	no.	

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

54. A living wage benchmarking analysis was conducted in August 2025 for employees located in Niš, Serbia; Zacatecas, Mexico; and Jiangmen, China, which are the largest manufacturing sites in each respective region. The percentage shown reflects the proportion of the Group's total workforce represented by employees in these locations.

Key Performance Indicators

Communities – Community Engagement

Items	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/ SASB/IFRS S2
Percentage of operations that have implemented local community engagement, impact assessments, and/or development programs [55]	100	100	100	100	100	n/a	%	GRI 413-1
Number of community engagement activities organized	400+	200+	180+	n/a	n/a	n/a	no.	

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

55. Our JEnerations community engagement initiative is in place at all our operating sites.

Trust and Transparency – Corporate Governance

Items	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/ SASB/IFRS S2
The Board of Directors								
Executive directors	2	2	2	2	2	3	no.	
Non-executive directors	8	9	10	9	9	8		
Individuals within the organization's governance bodies, by gender								
Male	70	64	67	64	73	73	%	GRI 405-1
Female	30	36	33	36	27	27		
Individuals within the organization's governance bodies, by age group								
Under 30 years old	0	0	0	0	0	0		
30 – 50 years old	20	18	17	9	9	9	%	GRI 405-1
Over 50 years old	80	82	83	91	91	91		
Percentage of independent board members	60	55	58	55	55	55	%	

Trust and Transparency – Ethics

Items	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/ SASB/IFRS S2
Entities assessed for risks related to financial reporting, operational efficiency and effectiveness and compliance [56]	23	21	23	n/a	n/a	n/a	no.	GRI 205-1
Percentage by headcount	76	70	79				%	
Total number of employees that have received training on anti-corruption [57]	1,254	27,963	25,785	5,990	1,389	n/a	no.	GRI 205-2
Percentage of employees that have received training on anti-corruption [57]	4.0	89.7	75.6	16.8	3.6	n/a	%	GRI 205-2
By employee risk category and training delivery method								
At-risk employees [58] (excluding managers) Online training	17.7	100	34.0	n/a	n/a	n/a	%	GRI 205-2
Managers Online training	9.9	97.6	7.2					
All other employees Online training	2.8	97.4	26.1					
Group training	0.6	87.2	88.4					
By employment role								
Manufacturing operators	0.9	85.0	0.7 [59]	0.1	0.2			
Technicians and other operational and administrative support	3.1	96.2	7.2 [59]	42.4	2.4			
Individual contributor/ supervisory	15.6	93.4	17.6 [59]	27.9	16.7			
Managerial	9.9	97.6	7.2 [59]	100	36.1			

Key Performance Indicators

Key Performance Indicators

Items	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/ SASB/IFRS S2
By region (online training)								
Asia	3.0	88.0	4.5 [59]	14.2	3.6			
EMEA	5.3	95.8	4.3 [59]	28.3	3.1	n/a	%	GRI 205-2
Americas	8.0	92.1	6.0 [59]	17.3	4.5			
Percentage of employees that have received training on anti-corruption (rolling 2-year training cycle) [60]	93.1	91.0	21.9 [59]	18.1	n/a	n/a		
Code of Ethics and Business Conduct annual declaration signing [61]								
At-risk employees (excluding managers)	100	100	99.0	n/a	n/a	n/a	%	
Managers	100	100	99.0	n/a	n/a	n/a		
Total number and percentage of governance body members that have been informed of and trained on the organization's anti-corruption policies and procedures [57]								
Board								
Executive directors	–	2 (100)	–	2 (100)				
Non-executive directors	–	9 (100)	–	9 (100)	n/a	n/a	no. (%)	GRI 205-2
Executive Committee (excluding executive directors)	–	7 (100)	–	7 (100)				
Whistle-blower reporting rate [62]	1.2	1.2	0.7	n/a	n/a	n/a	no. of reports per 1,000 employees	

Items	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/ SASB/IFRS S2
Confirmed incidents of corruption	7	3	7	n/a				
In which employees resigned, were dismissed or disciplined for corruption	6	3	7	3				
In which contracts with suppliers were terminated or not renewed due to violations related to corruption	1	0	6	n/a	n/a	n/a	no.	GRI 205-3
Legal cases regarding corrupt practices								
Brought against Johnson Electric	0	0	0	0	0	0		
Brought against employees	1	1	0	1	0	0		
Concluded	0	1 [63]	0	0	0	0	no.	GRI 205-3, B7.1

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

56. Corruption risks are addressed as part of Internal Audit's review and testing of controls (including embedded business conduct and anti-corruption controls) over various operations and activities and the evaluation of their adequacy and effectiveness and the degree of compliance. We also prepare a top-down risk review that covers 100% of the Group's operations.
57. The ethics training program operates on a biennial basis, with the next scheduled cycle in FY26/27. In FY23/24, the scope of ethics training was expanded to include manufacturing operators through group-based sessions. In years without a scheduled training cycle, ethics training hours reflect Code of Ethics training completed by new employees as part of the onboarding process.
58. At-risk employees (excluding managers) includes: 1) All employees under human resources except environment, health and safety team members, marketing and communications, and project managers; 2) all employees under supply chain services except project managers; 3) all other employees with job titles containing "buyer", "sales", "key account manager" or "business development".
59. Excludes group training for manufacturing operators.
60. Percentage of employees that have received training in anti-corruption (rolling 2-year training cycle) = (unique employees trained in anti-corruption over the past two fiscal years ÷ current year's total workforce) × 100%
61. At-risk employees (excluding managers) do not include manufacturing operators who are required only to attend group anti-corruption training but are not required to complete the annual declaration on the Code of Ethics and Business Conduct.
62. Whistle-blower reporting rate = number of whistle-blower reports ÷ (number of employees ÷ 1,000). Whistle-blower reports include those submitted through the whistle-blower hotline, direct reports to management or the internal audit department, or those discovered by management or the internal audit department.
63. Refers to a case in FY16/17 in which a former employee was charged by the Hong Kong Independent Commission Against Corruption ("ICAC") with concealing a conflict of interest. Johnson Electric had earlier reported the incident to the ICAC and rendered full assistance to the investigation. The court case resulted in a sentence of 4.5 years in prison.

Key Performance Indicators

Trust and Transparency – Compliance

Items	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/ SASB/IFRS S2
Significant instances of non-compliance with laws and regulations	0	0	0	0	0	n/a	cases	GRI 2-27
Total amount of monetary losses resulting from legal proceedings associated with anti-competitive behaviour regulations	0	0	0	0	0	n/a	US$ million	TR-AP-520a.1
Legal and regulatory actions related to anti-competitive behaviour, anti-trust, and monopoly practices	0	0	0	0	0	n/a	cases	GRI 206-1

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

Trust and Transparency – Data Protection

Items	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/ SASB/IFRS S2
Legal cases in which Johnson Electric was found to infringe intellectual property rights	0	0	0	n/a	n/a	n/a	no.	
Entities with TISAX certificate	11	8	3	0	0	0	no.	
Percentage by total number of employees	64	58	2	0	0	0	%	

Trust and Transparency – Supply Chain

Items	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/ SASB/IFRS S2
Percentage of suppliers by region [64]								
Asia	46	42	40	40	42	42		
EMEA	35	36	40	40	37	37	%	B5.1
Americas	19	22	20	20	21	21		
Proportion of spending on local suppliers [65]								
Asia	93	90	85	84	95			
EMEA	87	88	88	88	83	n/a	%	GRI 204-1
Americas	81	81	83	84	85			
Total number and percentage of suppliers to whom the organization's anti-corruption policies and procedures have been communicated/who have acknowledged our Supplier Code of Conduct, by region [66]								
Asia	1,021 (88)	975 (89)	831 (74)	721 (69)	673 (59)			
EMEA	712 (57)	323 (59)	295 (56)	303 (39)	270 (43)			
Americas	442 (88)	506 (100)	535 (77)	387 (81)	495 (95)	n/a	no. (%)	GRI 205-2
Total	2,175 (78)	1,804 (84)	1,661 (71)	1,411 (61)	1,438 (63)			

Key Performance Indicators

Items	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	FY20/21	Unit	GRI/HKEX/ SASB/IFRS S2
Number of suppliers assessed for environmental impacts [67]	404	366	291	289	200	n/a	no.	GRI 308-2, B5.2
Number of suppliers assessed for social impacts [67]	404	366	291	289	200	n/a	no.	GRI 414-2, B5.2
Percentage of new suppliers that were screened for social and environmental criteria [68]	67	n/a	n/a	n/a	n/a	n/a	%	GRI 414-1
Percentage of suppliers for which information regarding conflict minerals is available [69]	98	95	n/a	n/a	n/a	n/a	%	
Percentage of suppliers with contracts that include clauses on environmental, labour, and human rights requirements [70]	100	n/a	n/a	n/a	n/a	n/a	%	
Percentage of targeted suppliers that have undergone an on-site sustainability audit [71]	100	n/a	n/a	n/a	n/a	n/a	%	
Number of supplier on-site audits performed by region [72]								
Asia	3	2						
EMEA	3	3	n/a	n/a	n/a	n/a	no.	
Americas	6	7						
Total	12	12						
Supplier renewable electricity use weighted by spending [73]	16	11	n/a	n/a	n/a	n/a	%	
Bottom 10% suppliers in the previous year's social assessment								
Improved [74]	21	13	n/a	n/a	n/a	n/a	no.	
Eliminated [74]	2	2						
Bottom 10% suppliers in the previous year's environmental assessment								
Improved [74]	30	13	n/a	n/a	n/a	n/a	no.	
Eliminated [74]	2	1						
Percentage of targeted employees across all locations who have received training on sustainable procurement [75]	94	90	n/a	n/a	n/a	n/a	%	
Training hours of targeted employees in supply chain sustainability [75]	174	235	n/a	n/a	n/a	n/a	hours	
Training hours of suppliers in sustainability	203	69	n/a	n/a	n/a	n/a	hours	

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

64. Data as of 31 December. Due to limited resources and manual collection, data from Yokneam in Israel has not been collected at the time of reporting.
65. Data as of 31 December. Proportion of spending on local suppliers is calculated by number of regionally based suppliers divided by total number of suppliers in the region. Due to limited resources and manual collection, data from Yokneam in Israel has not been collected at the time of reporting.
66. Data for FY25/26 is cut off on 31 January 2026, while data for previous years is cut off on 31 December. Due to limited resources and manual collection, data from Yokneam in Israel has not been collected at the time of reporting.
67. Refers to the number of suppliers invited to complete our supplier's ESG assessment.
68. Formula = (number of new suppliers admitted and invited to the ESG assessment ÷ number of new suppliers admitted that supply high-ESG-priority commodities) × 100%
69. Refers to suppliers' CMRT completion rate.
70. Clauses on environmental, labour and human rights requirements have been included in our standard Terms and Conditions.
71. Formula = (number of audited suppliers ÷ number of suppliers planned to be audited) × 100%. Audited suppliers in FY25/26 represent approximately 2.3% (by expenditure) of the suppliers invited to the 2025 supplier ESG assessment.
72. Supplier sustainability on-site audit program started in FY24/25.
73. Formula = procurement spending of assessed suppliers in the ESG assessment using renewable electricity x their percentage of renewable electricity ÷ total procurement spending from key suppliers globally x 100%. Our target is to reach 100% direct material spending with key suppliers using renewable electricity by 2050. Key suppliers are those within the ESG assessment scope as defined by our sustainable procurement guidelines (as determined by commodity sustainability priority and spending level).
74. "Improved" refers to the assessed suppliers who were in the bottom 10% in last year's assessment but are no longer in that category in this year's assessment. "Eliminated" refers suppliers who have been terminated for any reasons.
75. Targeted employees are defined as buyers and commodity leaders in supply chain departments across all locations who manage supplier contact and relationships.

Appendix 1: List of Targets and Progress

Theme	Topic	Target	FY25/26 Performance from Baseline	Progress from Baseline	New Target
Products	Product quality and product safety	Zero product safety and non-compliance incidents and zero recalls of products sold or shipped due to health and safety reasons	Achieved	100%	
		5% reduction in customer complaints as a ratio of sales each year through to 2028	11% reduction	220%	
		7% reduction in internal defect costs as a ratio of sales each year through to 2028	9% reduction	129%	
Environment	Energy and climate	59% reduction in absolute Scope 1 GHG emissions by FY34/35 from a FY22/23 baseline	6% increase	0%	
		65% reduction in absolute Scope 2 GHG emissions by FY34/35 from FY22/23 baseline	99.7% reduction	153%	
		35% reduction in absolute Scope 3 GHG emissions by FY34/35 from FY22/23 baseline	6% reduction (FY24/25 performance)	17%	
		15% reduction in intensity per sales of purchased energy consumption by 2030 from FY19/20 baseline	7% increase	0%	
		Using 100% renewable energy across all operations by 2025, as available and feasible for each site	83% renewable energy (100% renewable electricity)	83%	Maintaining 100% renewable electricity and pursuing 100% renewable energy across all operations by FY34/35, as available and feasible for each site
Environment	Waste	Maintaining zero waste to landfill across the Group	Achieved	100%	
		10% reduction in total waste intensity per sales generated by FY25/26 from a FY20/21 baseline	3% reduction	30%	5% reduction in total waste intensity per sales generated by FY26/27 from FY25/26
		20% reduction in hazardous waste intensity per sales generated by FY25/26 from a FY20/21 baseline	20% reduction	100%	2% reduction in hazardous waste intensity per sales generated by FY26/27 from FY25/26
		Zero significant[#] instances of waste-related non-compliance with laws and regulations	Achieved	100%	
	Water	30% reduction in water withdrawal intensity per sales generated by FY25/26 from a FY20/21 baseline	24% reduction	80%	3% reduction in water withdrawal intensity per sales generated by FY26/27 from FY25/26
		30% reduction in water consumption intensity per sales generated by FY25/26 from a FY20/21 baseline	18% reduction	60%	4% reduction in water consumption intensity per sales generated by FY26/27 from FY25/26
		Zero significant[#] instances of water-related non-compliance with laws and regulations	Achieved	100%	

[#] Refers to fines over USD100,000

Appendix 1: List of Targets and Progress

Theme	Topic	Target	FY25/26 Performance from Baseline	Progress from Baseline	New Target
Employees	Health and safety	Zero fatalities	Achieved	100%	
		Continuously improve and reduce year-on-year the number of lost-time accidents in pursuit of our ultimate target of zero lost-time accidents	30% reduction from last year	100%	
		Continuously improve and reduce year-on-year the number of recordable injuries	27% reduction from last year	100%	
		Increase the number of near-misses communicated	22% increase from last year	100%	12% increase in the number of near-misses communicated in FY26/27 from FY25/26
		Increase the number of hazards communicated	34% increase from last year	100%	5% increase in the number of hazards communicated in FY26/27 from FY25/26
	Talent attraction and retention	More than 55% of managerial and senior positions to be filled internally in FY25/26 and in all future years	57%	104%	
	Diversity, equity and inclusion	Increase female representation in senior leadership to 15% by the end of FY25/26	15%	100%	Maintain 15% female representation in senior leadership in FY26/27
	Labour rights	Maintaining zero child labour and forced labour in our value chain and within our own operations in FY25/26 and in all future years	Achieved	100%	

Theme	Topic	Target	FY25/26 Performance from Baseline	Progress from Baseline	New Target
Trust and Transparency	Ethics	Zero legal cases brought against Johnson Electric or its employees for corruption, anti-competitive behaviour, anti-trust, and monopoly practices	1	0%	
		Biennial (or more frequent) ethics training for 100% of the workforce	93%	93%	
		Obtaining annual Code of Ethics declarations from 100% of at-risk employees, managers and other staff-level employees	100%	100%	
		Zero incidents of fraud, money laundering or conflicts of interest	7	0%	
		Investigating 100% of whistle-blower reports received through our hotline	100%	100%	
	Compliance	Zero significant* instances of non-compliance with laws and regulations	Achieved	100%	
		Zero regulatory actions regarding fair trade or competitive practices	Achieved	100%	
	Data protection	No infringement of others' intellectual property rights	Achieved	100%	
		Zero information security breaches	Achieved	100%	
		Zero leaks, thefts, or losses of personal or customer data	Achieved	100%	
	Supply chain	100% direct material spending on key suppliers using renewable electricity by 2050	16%	16%	

* Refers to fines over USD100,000

Appendix 2: Sustainable Development Goals

We use the United Nations Sustainable Development Goals as a framework for our sustainability strategy.

We monitor the alignment of our business strategies with the United Nations Sustainable Development Goals ("SDGs") and assess the actual and potential impacts – both positive and negative – of our activities and business operations. We also evaluate which SDGs are most relevant to our stakeholders, based on their interactions and engagement with us.

Through our double materiality assessment, we have prioritized nine SDGs where we believe we can make the most meaningful positive contribution. These priority goals are closely aligned with our sustainability framework, which focuses on products, environment, employees, communities, and trust and transparency.

The SDGs are:

- SDG 3: Good health and wellbeing
- SDG 4: Quality education
- SDG 8: Decent work and economic growth
- SDG 9: Industry, innovation and infrastructure
- SDG 11: Sustainable cities and communities
- SDG 12: Responsible consumption and production
- SDG 13: Climate action
- SDG 17: Partnerships for the Goals

We do not report on our progress towards the other SDGs. Although efforts towards these may contribute to success with our selected SDGs, they do not provide the same opportunity for us to make an impact on a global level.

Strategies and Goals

The Social Impact and Sustainability Committee considers the UN SDGs when developing sustainability strategies for the business. Performance targets based on sustainability goals have been incorporated into how we determine eligible individual annual incentive pay, including for the executive management team.

Prioritization of the SDGs is shown in the diagram below. The specific targets set by the SDGs most relevant to our current activities and business scope, and our related strategies, are set out in the following pages.



SDG 3: Good Health and Wellbeing

Relevant targets set by SDGs	Our strategies	Section of this report
3.4 Reduce premature mortality from non-communicable diseases through prevention and treatment and promote mental health and wellbeing	• Design and deliver innovative technology solutions • Support improved patient wellbeing • Enable better clinical outcomes through product innovation	Products
3.6 Halve the number of global deaths and injuries from road traffic accidents	• Develop products that support active vehicle safety applications • Develop products that support passive vehicle safety applications • Respond to growing demand for enhanced road safety solutions	Products
3.9 Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination	• Ensure products are free from harmful chemicals • Protect employees from exposure to hazardous chemicals and processes • Implement measures to prevent pollution across operations	Products, Employees

SDG 4: Quality Education

Relevant targets set by SDGs	Our strategies	Section of this report
4.3 Ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university 4.4 Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	• Operate the Johnson Electric Technical College (JETC) in China, India and Mexico to support underprivileged youth • JETC delivers a three-year residential program combining general and technical education • Implement similar vocational education initiatives in Niš, Serbia, in partnership with a local technical school • Deliver the Junior Engineer program to encourage early interest in STEM subjects • Offer internships and apprenticeships as pathways to employment	Communities

Appendix 2: Sustainable Development Goals



SDG 8: Decent Work and Economic Growth

Relevant targets set by SDGs	Our strategies	Section of this report
8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation	• Introduce advanced manufacturing technologies • Enhance productivity through technological upgrading and innovation • Embed sustainability by design in manufacturing processes	Products
8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation	• Co-develop lower-carbon and sustainable products with customers • Provide energy-efficient, lightweight motion solutions that enable electrification and reduce emissions • Design products with longer working life and lower material intensity • Apply Product Carbon Footprint (PCF) and Life Cycle Assessment (LCA) to inform business decisions • Aim to develop all new products with optimized, best-in-class LCA/PCF performance	Products
8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	• Respect labour and human rights across all operations • Provide a safe and dignified workplace for all employees • Promote diversity, equity and inclusion through a formal diversity, equity and inclusion policy and governance structure • Ensure fair, non-discriminatory recruitment and competitive compensation practices • Maintain global pay and benefits structures aligned with or exceeding local legal requirements	Employees
8.6 Substantially reduce the proportion of youth not in employment, education or training	• Operate the Johnson Electric Technical College (JETC) in China, India and Mexico to support underprivileged youth • JETC provides a three-year mix of general and technical education leading to employment opportunities • Run a similar vocational education program in Niš, Serbia, in partnership with a local technical school • Offer internships and apprenticeships as pathways to employment	Employees, Communities
8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms	• Prohibit child labour and all forms of forced or compulsory labour • Implement preventive measures across own operations • Embed labour standards within supplier relationships	Employees, Trust and Transparency
8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	• Respect labour and human rights for all employees • Provide safe and secure working environments across operations • Embed labour and safety requirements in supplier relationships • Apply consistent health and safety standards at all manufacturing sites	Employees, Trust and Transparency

Appendix 2: Sustainable Development Goals



SDG 9: Industry, Innovation and Infrastructure

Relevant targets set by SDGs	Our strategies	Section of this report
9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	• Introduce advanced, resource and energy-efficient manufacturing technologies • Address renewable energy, energy efficiency, water conservation, material efficiency, recycling and waste reduction • Maintain ISO 14001 certification across 100% of manufacturing sites • Achieve ISO 50001 certification for more than 50% of entities by energy consumption • 100% renewable electricity use in FY25/26	Environment
9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries	• Innovate and develop advanced technical capabilities to address customer needs • Provide differentiated, technology-driven solutions • Deploy advanced, resource and energy-efficient manufacturing technologies, including in developing countries	Products
9.7 Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities	• Reshape the operating footprint to be closer to customers • Build manufacturing and technical capabilities in developing countries • Localize supply chains to support industrial diversification and value creation	Products



SDG 11: Sustainable Cities and Communities

Relevant targets set by SDGs	Our strategies	Section of this report
11.6 Reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	• Enable cleaner transportation through products supporting hybrid and all-electric vehicles • Reduce emissions from internal combustion engines through advanced product solutions • Provide solutions for more sustainable homes and buildings, including heating and ventilation systems, window automation and smart-metre applications • Drive down the cost of environmentally friendly products to support wider adoption • Encourage customers to adopt products that use fewer resources and have longer lifespans, reducing waste • Minimize environmental impacts at manufacturing sites, including air quality management, waste reduction and responsible waste management	Products, Environment

Appendix 2: Sustainable Development Goals



SDG 12: Responsible Consumption and Production

Relevant targets set by SDGs	Our strategies	Section of this report
12.2 By 2030, achieve the sustainable management and efficient use of natural resources	• Provide lightweight, high-power-density motion solutions that enable electrification and emissions reduction • Design products with improved energy efficiency, longer working life and lower material intensity • Apply a systematic approach to resource and energy-efficient production • Explore opportunities to increase participation in the circular economy • Maintain a global target of zero waste to landfill • Set continuous improvement targets for waste reduction, water conservation and energy efficiency	Products, Environment
12.4 Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment	• Design environmentally friendly products and production processes • Enable replacement of internal combustion engines or reduction of harmful emissions through product design • Maintain a global target of zero waste to landfill • Set continuous improvement targets for waste reduction, water use and emissions monitoring • Ensure 100% compliance with chemical and environmental requirements • Prioritize reduction or elimination of harmful substances	Products, Environment
12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	• Reduce customer waste by designing products with longer working life • Set continuous improvement targets to reduce and recycle production waste • Reuse materials where economically or technically feasible • Sell remaining materials for offsite recycling where reuse is not feasible	Products, Environment
12.6 Encourage companies to adopt sustainable practices and integrate sustainability information into their reporting cycle	• Monitor sustainability performance through regular management reporting • Publish an annual Sustainability Report • Disclose sustainability information on the corporate website • Engage with external sustainability rating and disclosure platforms, including CDP and EcoVadis	Trust and Transparency



SDG 13: Climate Action

Relevant targets set by SDGs	Our strategies	Section of this report
	• Set science-based targets for Scope 1, 2 and 3 greenhouse gas emissions • 100% use of renewable electricity • Increase the use of renewable energy and improve energy efficiency across operations • Apply Product Carbon Footprint (PCF) and Life Cycle Assessment (LCA) methodologies to support sustainable product innovation	
13.2 Integrate climate change measures into policies, strategies, and planning	• Conduct climate-related financial risk and opportunity assessments • Conduct supplier sustainability assessments and audits • Achieve zero waste to landfill and reduce water withdrawal intensity • Foster a sustainability-focused culture among employees • Align sustainability reporting with globally recognized standards, including GRI, SASB, HKEX and IFRS S2 • Continuously innovate products that contribute to planetary sustainability	Products, Environment, Trust and Transparency
13.3 Improve education and awareness-raising on climate change mitigation, adaptation, impact reduction and early warning	• Supply high-precision components for hybrid and all-electric vehicles • Enable energy efficiency across industrial, professional and consumer products • Support the replacement of internal combustion engines in selected outdoor and mobility applications	Products

Appendix 2: Sustainable Development Goals



SDG 17: Partnerships for the Goals

Relevant targets set by SDGs	Our strategies	Section of this report
17.7 Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed	• Innovate and develop technical capabilities to provide unique solutions to customers' problems, including in developing countries • Introduced advanced resource and energy-efficient manufacturing technologies to our factories, including those located in developing countries	Products, Environment
17.9 Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the Sustainable Development Goals, including through North-South, South-South and triangular cooperation	• Progressively expanding our operating footprint with factories in more than 20 countries, including developing countries • All our factories must operate according to our standards for environmental management, health and safety management, human and labour rights protection and corporate governance	Introduction, Products, Environment, Employees, Trust and Transparency
17.11 Significantly increase the exports of developing countries	• We have several factories in developing countries and contribute towards the exports of Argentina, Brazil, China, Hungary, India, Mexico, Poland, Serbia and Türkiye	Products
17.16 Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries	• Actively engage with customers, employees, suppliers and communities to advance shared sustainability goals, including responsible consumption and production, climate action, sustainable cities and communities, good health and wellbeing, and quality education • Organize community outreach activities supporting the local communities where we operate • Our role in the global partnership is reflected in our purpose statement and promises	Introduction, Products, Environment, Employees, Communities, Trust and Transparency

Appendix 3: HKEX ESG Reporting Code

Abbreviation	SR 2025/26: Sustainability Report 2025/26 (this report)

Part B: Mandatory Disclosure Requirements

Requirements		Sections/notes	Page no.
Governance structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses	SR 2025/26: Trust and Transparency – Corporate governance	SR 2025/26: page 109 to 120
Reporting Principles	**Materiality:** The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. **Quantitative:** Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. **Consistency:** The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	Materiality: SR 2025/26: Trust and Transparency – Corporate governance Quantitative: SR 2025/26: Environment – Energy and climate, Key performance indicators, About this report Consistency: There has been no significant change to the methods or KPIs used. Exceptions in the calculation of the KPIs have been stated in the footnotes of the "Key performance indicators" section.	SR 2025/26: page 109 to 120 SR 2025/26: page 45 to 56, 155 to 183, 241 SR 2025/26: page 155 to 183
Reporting boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and the reason for the change.	SR 2025/26: About the report	SR 2025/26: page 241

Appendix 3: HKEX ESG Reporting Code

Part C: 'Comply or Explain' Provisions

A. Environmental

Aspect A1: Emissions		Sections/notes	Page no.
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas ("GHG") emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	SR 2025/26: Environment	SR 2025/26: page 40 to 63
KPI A1.1	The types of emissions and respective emissions data.	SR 2025/26: Environment – Energy and climate, Emissions, Key performance indicators	SR 2025/26: page 45 to 56, 63, 155 to 183
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	SR 2025/26: Environment – Waste, Key performance indicators	SR 2025/26: page 57 to 59, 155 to 183
KPI A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity.	SR 2025/26: Environment – Waste, Key performance indicators	SR 2025/26: page 57 to 59, 155 to 183
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	SR 2025/26: Environment – Energy and climate	SR 2025/26: page 45 to 56
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	SR 2025/26: Environment – Waste	SR 2025/26: page 57 to 59
Aspect A2: Use of resources			
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	SR 2025/26: Environment	SR 2025/26: page 40 to 63
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity.	SR 2025/26: Environment – Energy and climate, Key performance indicators N.B. We disclose energy consumption in GJ.	SR 2025/26: page 45 to 56, 155 to 183
Aspect A2: Use of resources			
KPI A2.2	Water consumption in total and intensity.	SR 2025/26: Environment – Water, Key performance indicators	SR 2025/26: page 60 to 62, 155 to 183
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	SR 2025/26: Environment – Energy and climate	SR 2025/26: page 45 to 56
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	SR 2025/26: Environment – Water	SR 2025/26: page 60 to 62
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	SR 2025/26: Key performance indicators NB. We disclose total spending on packaging materials instead of weight of packaging materials for finished goods.	SR 2025/26: page 155 to 183
Aspect A3: The environment and natural resources			
General disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	SR 2025/26: Environment	SR 2025/26: page 40 to 63
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	SR 2025/26: Environment	SR 2025/26: page 40 to 63

Appendix 3: HKEX ESG Reporting Code

B. Social – Employment and labour practices

Aspect B1: Employment		Sections/notes	Page no.
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	SR 2025/26: Employees	SR 2025/26: page 64 to 93
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	SR 2025/26: Key performance indicators	SR 2025/26: page 155 to 183
KPI B1.2	Employee turnover rate, by gender, age group and geographical region.	SR 2025/26: Key performance indicators	SR 2025/26: page 155 to 183

Aspect B2: Health and safety			
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to providing a safe working environment and protecting employees from occupational hazards.	SR 2025/26: Employees – Health and safety	SR 2025/26: page 67 to 78
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	SR 2025/26: Employees – Health and safety, Key performance indicators	SR 2025/26: page 67 to 78, 155 to 183
KPI B2.2	Lost days due to work injury.	SR 2025/26: Key performance indicators	SR 2025/26: page 155 to 183
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	SR 2025/26: Employees – Health and safety	SR 2025/26: page 67 to 78

Aspect B3: Development and training			
General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	SR 2025/26: Employees – Training and development	SR 2025/26: page 84 to 85
KPI B3.1	The percentage of employees trained by gender and employee category.	SR 2025/26: Key performance indicators	SR 2025/26: page 155 to 183
KPI B3.2	The average training hours completed per employee by gender and employee category.	SR 2025/26: Employees – Training and development, Key performance indicators	SR 2025/26: page 84 to 85, 155 to 183

Aspect B4: Labour standards			
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	SR 2025/26: Employees – Labour rights, Trust and Transparency – Ethics	SR 2025/26: page 92 to 93, 121 to 126
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.		
KPI B4.2	Description of steps taken to eliminate such practices when discovered.		

Appendix 3: HKEX ESG Reporting Code

B. Social – Operating practices

Aspect B5: Supply chain management		Sections/notes	Page no.
General disclosure	Policies on managing environmental and social risks of the supply chain.	SR 2025/26: Trust and Transparency – Supply chain	SR 2025/26: page 149 to 154
KPI B5.1	Number of suppliers by geographical region.	SR 2025/26: Key performance indicator NB. We use the percentage of the supplier in each geographical region as an indicator, to achieve a more accurate representation of supplier distribution	SR 2025/26: page 155 to 183
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	SR 2025/26: Trust and Transparency – Supply chain, Key performance indicators	SR 2025/26: page 149 to 154, 155 to 183
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	SR 2025/26: Trust and Transparency – Supply chain	SR 2025/26: page 149 to 154
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	SR 2025/26: Trust and Transparency – Supply chain	SR 2025/26: page 149 to 154
Aspect B6: Product responsibility			
General disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	SR 2025/26: Products – Product quality and products safety	SR 2025/26: page 34 to 37
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	SR 2025/26: Key performance indicators	SR 2025/26: page 155 to 183
KPI B6.2	Number of product and service-related complaints received and how they are dealt with.	SR 2025/26: Products – Product quality and product safety, Key performance indicators	SR 2025/26: page 34 to 37, 155 to 183
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	SR 2025/26: Trust and Transparency – Corporate governance, Compliance	SR 2025/26: page 109 to 120, 127
KPI B6.4	Description of quality assurance process and recall procedures.	SR 2025/26: Products – Product quality and product safety	SR 2025/26: page 34 to 37
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	SR 2025/26: Trust and Transparency – Data protection	SR 2025/26: page 128 to 129
Aspect B7: Anti-corruption			
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	SR 2025/26: Trust and Transparency – Corporate governance, Ethics, Compliance	SR 2025/26: page 109 to 120, 121 to 126, 127
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	SR 2025/26: Trust and Transparency – Ethics, Key performance indicators	SR 2025/26: page 121 to 126, 155 to 183
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	SR 2025/26: Trust and Transparency – Ethics	SR 2025/26: page 121 to 126
KPI B7.3	Description of anti-corruption training provided to directors and staff.		

B. Social – Community

Aspect B8: Community Investment		Sections/notes	Page no.
General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	SR 2025/26: Communities	SR 2025/26: page 94 to 105
KPI B8.1	Focus areas of contribution.		
KPI B8.2	Resources contributed to the focus area.		

Part D: Climate-related Disclosures

Climate-related disclosures

(I) Governance		Sections/notes	Page no.
19(a) (IFRS S2 6(a))	The governance body(s) or individual(s) responsible for oversight of climate related risks and opportunities. (i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities; (ii) how and how often the body(s) or individual(s) is informed about climate related risks and opportunities; (iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; (iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities including whether and how related performance metrics are included in remuneration policies	SR 2025/26: Environment	SR 2025/26: page 40 to 63

(I) Governance		Sections/notes	Page no.
19(b) (IFRS S2 6(b))	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities. (i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and (ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions	SR 2025/26: Environment	SR 2025/26: page 40 to 63

(II) Strategy		Sections/notes	Page no.
Climate-related risks and opportunities			
20(a) (IFRS S2 10)	Climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term.	SR 2025/26: Trust and Transparency – Financial impacts of climate related risks and opportunities	SR 2025/26: page 130 to 148
20(b) (IFRS S2 10)	For each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk.		
20(c) (IFRS S2 10)	For each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur.		
20(d) (IFRS S2 10)	How the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.		

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(II) Strategy		Sections/notes	Page no.
Business model and value chain			
21(a) (IFRS S2 13)	A description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	SR 2025/26: Trust and Transparency – Financial impacts of climate related risks and opportunities	SR 2025/26: page 130 to 148
21(b) (IFRS S2 13)	A description of where in the issuer's business model and value chain climate related risks and opportunities are concentrated		
Strategy and decision-making			
22(a) (IFRS S2 14)	Information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation, the information about: (i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate related risks and opportunities; (ii) current and anticipated adaptation and mitigation efforts; (iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; (iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets	SR 2025/26: Environment – Energy and climate	SR 2025/26: page 45 to 56
22(b) (IFRS S2 14)	How the issuer is resourcing, and plans to resource, the activities of climate-related risks and opportunities	SR 2025/26: Trust and Transparency – Financial impacts of climate related risks and opportunities	SR 2025/26: page 130 to 148
23	The progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	SR 2025/26: Environment – Energy and climate	SR 2025/26: page 45 to 56
Financial position, financial performance and cash flows			
Current financial effect			
24(a) (IFRS S2 16)	How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period;	SR 2025/26: Trust and Transparency – Financial impacts of climate related risks and opportunities	SR 2025/26: page 130 to 148
24(b) (IFRS S2 16)	The climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.		

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(II) Strategy		Sections/notes	Page no.
Anticipated financial effect			
25(a) (IFRS S2 16)	How the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) Its investment and disposal plans (ii) Its planned sources of funding to implement its strategy	SR 2025/26: Trust and Transparency – Financial impacts of climate related risks and opportunities	SR 2025/26: page 130 to 148
25(b) (IFRS S2 16)	How the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.		
Climate resilience			
26(a) (IFRS S2 22)	The issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of: (i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis (ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and (iii) the issuer's capacity to adjust or adapt its strategy and business model to climate change over the short, medium or long term	SR 2025/26: Trust and Transparency – Financial impacts of climate related risks and opportunities	SR 2025/26: page 130 to 148

(II) Strategy		Sections/notes	Page no.
26(b)(i) (IFRS S2 22)	How and when the climate-related scenario analysis was carried out, including: (1) Which climate-related scenarios the issuer used for the analysis and the sources of such scenarios (2) Whether the analysis included a diverse range of climate-related scenarios (3) Whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks (4) Whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change (5) Why the issuer decided that its chosen climate related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties (6) Time horizons the issuer used in the analysis (7) What scope of operations the issuer used in the analysis. or climate-related physical risks	SR 2025/26: Trust and Transparency – Financial impacts of climate related risks and opportunities	SR 2025/26: page 130 to 148
26(b)(ii) (IFRS S2 22)	The key assumptions the issuer made in the analysis.	SR 2025/26: Trust and Transparency – Financial impacts of climate related risks and opportunities	SR 2025/26: page 130 to 148
26(b)(iii) (IFRS S2 22)	The reporting period in which the climate-related scenario analysis was carried out.	FY23/24 financial data was used in the assessment	

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(III) Risk management		Sections/notes	Page no.
27(a) (IFRS S2 25)	The processes and related policies it uses to identify, assess, prioritize and monitor climate-related risks, including information about: (i) The inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes) (ii) Whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks (iii) How the issuer assesses the nature, likelihood and magnitude of the effects of those risks (iv) Whether and how the issuer prioritizes climate related risks relative to other types of risks (v) How the issuer monitors climate-related risks (vi) Whether and how the issuer has changed the processes it uses compared with the previous reporting period	SR 2025/26: Trust and Transparency – Financial impacts of climate related risks and opportunities	SR 2025/26: page 130 to 148
27(b) (IFRS S2 25)	The processes the issuer uses to identify, assess, prioritize and monitor climate related opportunities.	SR 2025/26: Trust and Transparency – Financial impacts of climate related risks and opportunities	SR 2025/26: page 130 to 148
27(c) (IFRS S2 25)	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	SR 2025/26: Trust and Transparency – Financial impacts of climate related risks and opportunities	SR 2025/26: page 130 to 148

(IV) Metrics and targets		Sections/notes	Page no.
Greenhouse gas emissions			
28 (IFRS S2 29(a)(ii))	Absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO_2 equivalent, classified as: (a) Scope 1 greenhouse gas emissions (b) Scope 2 greenhouse gas emissions (c) Scope 3 greenhouse gas emissions	SR 2025/26: Environment – Energy and climate, Key performance indicators	SR 2025/26: page 45 to 56, 155 to 183
29(b) (IFRS S2 29(a)(iii))	The approach it uses to measure its greenhouse gas emissions including: (i) The measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) The reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) Any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes	SR 2025/26: Environment – Energy and climate, Key performance indicators	SR 2025/26: page 45 to 56, 155 to 183
29(c) (IFRS S2 29(a)(v))	For Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), it location-based Scope 2 greenhouse gas emissions, and information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions.	SR 2025/26: Environment – Energy and climate, Key performance indicators	SR 2025/26: page 45 to 56, 155 to 183
29(d) (IFRS S2 29(a)(vi)(1))	For Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	SR 2025/26: Environment – Energy and climate, Key performance indicators	SR 2025/26: page 45 to 56, 155 to 183

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(IV) Metrics and targets		Sections/notes	Page no.
Climate-related transition risks			
30 (IFRS S2 29(b))	The amount and percentage of assets or business activities vulnerable to climate-related transition risks.	SR 2025/26: Trust and Transparency – Financial impacts of climate related risks and opportunities	SR 2025/26: page 130 to 148
Climate-related physical risks			
31 (IFRS S2 29(b))	The amount and percentage of assets or business activities vulnerable to climate-related physical risks.	SR 2025/26: Trust and Transparency – Financial impacts of climate related risks and opportunities	SR 2025/26: page 130 to 148
Climate-related opportunities			
32 (IFRS S2 29(b))	The amount and percentage of assets or business activities aligned with climate-related opportunities.	SR 2025/26: Trust and Transparency – Financial impacts of climate related risks and opportunities	SR 2025/26: page 130 to 148
Capital deployment			
33 (IFRS S2 29(b))	The amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	SR 2025/26: Trust and Transparency – Financial impacts of climate related risks and opportunities	SR 2025/26: page 130 to 148
Internal carbon prices			
34 (IFRS S2 29(f))	(a) An explanation of whether and how the issuer is applying a carbon price in decision making; and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	We do not apply a carbon price in decision-making	
Remuneration			
35 (IFRS S2 29(g)(i))	Whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement.	SR 2025/26: Environment – Energy and climate	SR 2025/26: page 45 to 56

(IV) Metrics and targets		Sections/notes	Page no.
Industry-based metrics			
36 (IFRS S2 32)	Industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry.	SR 2025/26: Appendix 5: SASB Standards	SR 2025/26: page 226 to 227
Climate-related targets			
37(a) (IFRS S2 33)	The qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals.	SR 2025/26: Environment – Energy and climate	SR 2025/26: page 45 to 56
37(b) (IFRS S2 33)	Any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: (a) The metric used to set the target (b) The objective of the target (c) The part of the issuer to which the target applies (d) The period over which the target applies (e) The base period from which progress is measured (f) Any milestones or interim targets (g) If the target is quantitative, whether the target is an absolute target or an intensity target (h) How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target	SR 2025/26: Environment – Energy and climate	SR 2025/26: page 45 to 56
38(a) (IFRS S2 34)	Whether the target and the methodology for setting the target has been validated by a third party.	Our Scope 1, 2 and 3 targets have been validated and approved by the Science Based Targets initiative	
38(b) (IFRS S2 34)	The issuer's processes for reviewing the target;	SR 2025/26: Environment – Energy and climate	SR 2025/26: page 45 to 56

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(IV) Metrics and targets		Sections/notes	Page no.
38(c) (IFRS S2 34)	The metrics used to monitor progress towards reaching the target; and	SR 2025/26: Environment – Energy and climate, Key performance indicators	SR 2025/26: page 45 to 56, 155 to 183
38(d) (IFRS S2 34)	Any revisions to the target and an explanation for those revisions.	Not applicable	
39 (IFRS S2 35)	The performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	SR 2025/26: Environment – Energy and climate, Key performance indicators	SR 2025/26: page 45 to 56, 155 to 183
40(a) (IFRS S2 36)	Which greenhouse gases are covered by the target.	Carbon emissions	
40(b) (IFRS S2 36)	Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target.	Scope 1, 2 and 3 are covered by the targets	
40(c) (IFRS S2 36)	Whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target.	Gross greenhouse gas emissions target	
40(d) (IFRS S2 36)	Whether the target was derived using a sectoral decarbonization approach.	Absolute contraction method was used to set carbon emission reduction targets	
40(e) (IFRS S2 36)	The issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: (i) The extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits (ii) Which third-party scheme(s) will verify or certify the carbon credits (iii) The type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal (iv) Any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset)	No usage	

Appendix 4: GRI Standards

Statement of use	Johnson Electric has reported the information cited in this GRI content index for the period 1 April 2025 to 31 March 2026 in accordance with the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Abbreviation	AR 2025/26: Annual Report 2025/26 SR 2025/26: Sustainability Report 2025/26 (this report)

GRI Standard	Disclosure		Sections/notes	Page no.
General Disclosures				
The organization and its reporting practices				
GRI 2: General Disclosures 2021	2-1	Organizational details	AR 2025/26: Consolidated Financial Statements	AR 2025/26: page 94 to 196
	2-2	Entities included in the organization's sustainability reporting	SR 2025/26: About this report AR 2025/26: Consolidated Financial Statements	SR 2025/26: page 241 AR 2025/26: page 94 to 196
	2-3	Reporting period, frequency and contact point	SR 2025/26: About this report	SR 2025/26: page 241
	2-4	Restatements of information	SR 2025/26: Key performance indicators: Total energy consumption from renewable sources in FY24/25: Revised owing to reclassification of biomethane from a non-renewable source to a renewable source Scope 1 and Scope 2 location based in FY22/23: Revised due to calculation errors Scope 2 market-based in FY24/25: Revised to reflect the correction of market-based grid electricity data at our South Korea site Hazardous waste directed to disposal by waste treatment type in FY22/23: Revised due to calculation errors Areas with water stress (ground water): Revised by supplementing previously missing data	SR 2025/26: page 155 to 183
	2-5	External assurance	SR 2025/26: Verification statement	SR 2025/26: page 239 to 240

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GRI Standard	Disclosure		Sections/notes	Page no.
General Disclosures				
Activities and workers				
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships	SR 2025/26: About Johnson Electric, Products, Trust and Transparency – Supply chain	SR 2025/26: page 4 to 15, 20 to 39, 149 to 154
	2-7	Employees	SR 2025/26: Employees, Key performance indicators	SR 2025/26: page 64 to 93, 155 to 183
			SR 2025/26: Key performance indicators	
	2-8	Workers who are not employees	NB. Contingent workers (or non-employees) are individuals who are not employees but are engaged by third parties to provide services for our company, functioning much like employees. Both employee and contingent worker headcounts are included in our global and regional headcount analyses, which also include breakdowns by age and gender. However, turnover data pertains only to employees.	SR 2025/26: page 155 to 183
Governance				
GRI 2: General Disclosures 2021	2-9	Governance structure and composition	AR 2025/26: Corporate Governance Report	AR 2025/26: page 66 to 80
			SR 2025/26: Trust and Transparency – Corporate governance	SR 2025/26: page 109 to 120
	2-10	Nomination and selection of the highest governance body	AR 2025/26: Corporate Governance Report	AR 2025/26: page 66 to 80
	2-11	Chair of the highest governance body		
	2-12	Role of the highest governance body in overseeing the management of impacts	SR 2025/26: Trust and Transparency – Corporate governance	SR 2025/26: page 109 to 120
	2-13	Delegation of responsibility for managing impacts		
	2-14	Role of the highest governance body in sustainability reporting	SR 2025/26: Trust and Transparency – Corporate governance	SR 2025/26: page 109 to 120
	2-15	Conflicts of interest	AR 2025/26: Corporate Governance Report	AR 2025/26: page 66 to 80
	2-16	Communication of critical concerns	SR 2025/26: Trust and Transparency – Corporate governance	SR 2025/26: 109 to 120
	2-17	Collective knowledge of the highest governance body	AR 2025/26: Profile of Directors and Senior Management	AR 2025/26: page 198 to 201
			SR 2025/26: Trust and Transparency – Corporate governance	SR 2025/26: 109 to 120
	2-18	Evaluation of the performance of the highest governance body		
	2-19	Remuneration policies	AR 2025/26: Corporate Governance Report	AR 2025/26: page 66 to 80
	2-20	Process to determine remuneration		
	2-21	Annual total compensation ratio	Currently not disclosed	
Strategy, policies and practices				
GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	SR 2025/26: About Johnson Electric, Our approach to sustainability	SR 2025/26: page 4 to 15, 16 to 19
	2-23	Policy commitments	SR 2025/26: Products, Environment, Employees, Communities, Trust and Transparency and Sustainable Development Goals	SR 2025/26: page 20 to 154, 188 to 196
	2-24	Embedding policy commitments	SR 2025/26: Products, Environment, Employees, Communities, Trust and Transparency, Sustainable Development Goals	SR 2025/26: page 20 to 154, 188 to 196
			AR 2025/26: Corporate Governance Report	AR 2025/26: page 66 to 80

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GRI Standard	Disclosure		Sections/notes	Page no.
General Disclosures				
	2-25	Processes to remediate negative impacts	SR 2025/26: Trust and Transparency – Corporate governance, Ethics	SR 2025/26: page 109 to 120, 121 to 126
	2-26	Mechanisms for seeking advice and raising concerns	SR 2025/26: Trust and Transparency – Ethics	SR 2025/26: page 121 to 126
	2-27	Compliance with laws and regulations	SR 2025/26: Trust and Transparency – Compliance, Key performance indicators	SR 2025/26: page 127, 155 to 183
	2-28	Membership associations	Currently not disclosed	
Stakeholder engagement				
GRI 2: General Disclosures 2021	2-29	Approach to stakeholder engagement	SR 2025/26: Trust and Transparency – Corporate governance	SR 2025/26: page 109 to 120
	2-30	Collective bargaining agreements	SR 2025/26: Employees – Labour rights	SR 2025/26: page 92 to 93
Material Topics				
GRI3: Material Topics 2021	3-1	Process to determine material topics	SR 2025/26: Trust and Transparency – Corporate governance	SR 2025/26: page 109 to 120
	3-2	List of material topics		
Energy and climate				
GRI 3: Material Topics 2021	3-3	Management of material topics	SR 2025/26: Environment	SR 2025/26: page 40 to 63
GRI 302: Energy – 2016	302-1	Energy consumption within the organization	SR 2025/26: Environment – Energy and climate, Key performance indicators NB. We do not have energy consumption from cooling, nor from energy sold from heating, cooling or steam.	SR 2025/26: page 45 to 56, 155 to 183
	302-2	Energy consumption outside of the organization	Currently not reported as our energy consumption outside the organization is insignificant.	
	302-3	Energy intensity	SR 2025/26: Environment – Energy and climate, Key performance indicators	SR 2025/26: page 45 to 56, 155 to 183
	302-4	Reduction of energy consumption		
	302-5	Reductions in energy requirements of products and services	SR 2025/26: Products	SR 2025/26: page 20 to 39
GRI 305: Emissions – 2016	305-1	Direct (Scope 1) GHG emissions	SR 2025/26: Environment – Energy and climate, Key performance indicators	SR 2025/26: page 45 to 56, 155 to 183
	305-2	Energy indirect (Scope 2) GHG emissions		
	305-3	Other indirect (Scope 3) GHG emissions		
	305-4	GHG emissions intensity	SR 2025/26: Key performance indicators	SR 2025/26: page 155 to 183
	305-5	Reduction of GHG emissions	SR 2025/26: Environment – Energy and climate, Key performance indicators	SR 2025/26: page 45 to 56, 155 to 183
	305-6	Emissions of ozone – depleting substances (“ODS”)	SR 2025/26: Key performance indicators	SR 2025/26: page 155 to 183
	305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	SR 2025/26: Environment – Emissions, Key performance indicators	SR 2025/26: page 63, 155 to 183

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GRI Standard	Disclosure		Sections/notes	Page no.
General Disclosures				
Waste				
GRI 3: Material Topics 2021	3-3	Management of material topics		
GRI 306: Waste – 2020	306-1	Waste generation and significant waste-related impacts	SR 2025/26: Environment – Waste	SR 2025/26: page 57 to 59
	306-2	Management of significant waste-related impacts	SR 2025/26: Environment – Waste, Key performance indicators	SR 2025/26: page 57 to 59, 155 to 183
	306-3	Waste generated		
	306-4	Waste diverted from disposal		
	306-5	Waste directed to disposal		
Water				
GRI 3: Material Topics 2021	3-3	Management of material topics		
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	SR 2025/26: Environment – Water	SR 2025/26: page 60 to 62
	303-2	Management of water discharge-related impacts	SR 2025/26: Key performance indicators	SR 2025/26: page 155 to 183
	303-3	Water withdrawal		
	303-4	Water discharge		
	303-5	Water consumption		
Emissions				
GRI 3: Material Topics 2021	3-3	Management of material topics	SR 2025/26: Environment – Emissions	SR 2025/26: page 63

GRI Standard	Disclosure		Sections/notes	Page no.
General Disclosures				
Sustainable products				
GRI 3: Material Topics 2021	3-3	Management of material topics	SR 2025/26: Products – Sustainable products	SR 2025/26: page 27 to 31
Product carbon footprint				
GRI 3: Material Topics 2021	3-3	Management of material topics	SR 2025/26: Products – Product carbon footprint	SR 2025/26: page 32 to 33
Product quality				
GRI 3: Material Topics 2021	3-3	Management of material topics	SR 2025/26: Products – Product quality and product safety	SR 2025/26: page 34 to 37
Product safety				
GRI 3: Material Topics 2021	3-3	Management of material topics	SR 2025/26: Products – Product quality and product safety	SR 2025/26: page 34 to 37
GRI 416: Customer Health and Safety – 2016	416-1	Assessment of the health and safety impacts of product and service categories	SR 2025/26: Products – Product quality and product safety	SR 2025/26: page 34 to 37
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	SR 2025/26: Products – Product quality and product safety, Key performance indicators	SR 2025/26: page 34 to 37, 155 to 183
Material management and use				
GRI 3: Material Topics 2021	3-3	Management of material topics	SR 2025/26: Products – Material management and use	SR 2025/26: page 38 to 39
Health and safety				
GRI 3: Material Topics 2021	3-3	Management of material topics	SR 2025/26: Employees – Health and safety	SR 2025/26: page 67 to 78
GRI 403: Occupational Health and Safety – 2018	403-1	Occupational health and safety management system		
	403-2	Hazard identification, risk assessment, and incident investigation		
	403-3	Occupational health services		

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GRI Standard	Disclosure		Sections/notes	Page no.
General Disclosures				
	403-4	Worker participation, consultation, and communication on occupational health and safety		
	403-5	Worker training on occupational health and safety		
	403-6	Promotion of worker health		
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR 2025/26: Employees – Health and safety, Key performance indicators	SR 2025/26: page 67 to 78, 155 to 183
	403-8	Workers covered by an occupational health and safety management system		
	403-9	Work-related injuries		
	403-10	Work-related ill health		
Talent attraction and retention				
GRI 3: Material Topics 2021	3-3	Management of material topics	SR 2025/26: Employees – Talent attraction and retention	SR 2025/26: page 79 to 83
GRI 202: Market Presence – 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	N.B. Johnson Electric always pays at least the minimum wage for entry-level positions, which we define as unskilled entry operators. We have to pay competitive wages in each local market in order to attract and retain capable operators, and we always pay the same entry wage to male and female workers.	
	202-2	Proportion of senior management hired from the local community	N.B. 90% of our top 180 executives are local employees. Local employees are defined as employees holding the local nationality, permanent residency, or right to work (such as based on EU/EEA citizenship). Most non-local executives hold global or regional roles in our corporate or regional headquarter locations. Virtually all members of management in our significant non-corporate/regional headquarter locations consist of local nationals or permanent residents.	

GRI Standard	Disclosure		Sections/notes	Page no.
General Disclosures				
Training and development				
GRI 3: Material Topics 2021	3-3	Management of material topics	SR 2025/26: Employees – Training and development	SR 2025/26: page 84 to 85
GRI 404: Training and Education – 2016	404-1	Average hours of training per year per employee	SR 2025/26: Key performance indicators	SR 2025/26: page 155 to 183
	404-2	Programs for upgrading employee skills and transition assistance programs	SR 2025/26: Employees – Training and development	SR 2025/26: page 84 to 85
	404-3	Percentage of employees receiving regular performance and career development reviews	SR 2025/26: Key performance indicators	SR 2025/26: page 155 to 183
Diversity, equity and inclusion				
GRI 3: Material Topics 2021	3-3	Management of material topics	SR 2025/26: Employees – Diversity, equity and inclusion	SR 2025/26: page 86 to 88
GRI 405: Diversity and Equal Opportunity – 2016	405-1	Diversity of governance bodies and employees	SR 2025/26: Employees – Diversity, equity and inclusion, Key performance indicators	SR 2025/26: page 86 to 88, 155 to 183
	405-2	Ratio of basic salary and remuneration of women to men	SR 2025/26: Key performance indicators	SR 2025/26: page 155 to 183
GRI 406: Non-Discrimination – 2016	406-1	Incidents of discrimination and corrective actions taken	SR 2025/26: Key performance indicators	SR 2025/26: page 155 to 183
Communication				
GRI 3: Material Topics 2021	3-3	Management of material topics	SR 2025/26: Employees – Communication	SR 2025/26: page 89 to 91
Labour rights				
GRI 3: Material Topics 2021	3-3	Management of material topics	SR 2025/26: Employees – Labour rights	SR 2025/26: page 92 to 93

Appendix 4: GRI Standards

GRI Standard	Disclosure		Sections/notes	Page no.
General Disclosures				
Community engagement				
GRI 3: Material Topics 2021	3-3	Management of material topics	SR 2025/26: Communities	SR 2025/26: page 94 to 105
GRI 413: Local Communities – 2016	413-1	Operations with local community engagement, impact assessments, and development programs	SR 2025/26: Communities, Key performance indicators	SR 2025/26: page 94 to 105, 155 to 183
Corporate governance				
GRI 3: Material Topics 2021	3-3	Management of material topics	SR 2025/26: Trust and Transparency – Corporate governance	SR 2025/26: page 109 to 120
Ethics				
GRI 3: Material Topics 2021	3-3	Management of material topics	SR 2025/26: Trust and Transparency – Ethics	SR 2025/26: page 121 to 126
GRI 205: Anti-Corruption – 2016	205-1	Operations assessed for risks related to corruption	SR 2025/26: Trust and Transparency – Ethics, Key performance indicators	SR 2025/26: page 121 to 126, 155 to 183
	205-2	Communication and training about anti-corruption policies and procedures		
	205-3	Confirmed incidents of corruption and actions taken		
GRI 206: Anti-Competitive Behaviour 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices		
Compliance				
GRI 3: Material Topics 2021	3-3	Management of material topics	SR 2025/26: Trust and Transparency – Compliance	SR 2025/26: page 127
Data protection				
GRI 3: Material Topics 2021	3-3	Management of material topics	SR 2025/26: Trust and Transparency – Data protection	SR 2025/26: page 128 to 129

GRI Standard	Disclosure		Sections/notes	Page no.
General Disclosures				
Supply chain				
GRI 3: Material Topics 2021	3-3	Management of material topics	SR 2025/26: Trust and Transparency – Supply chain	SR 2025/26: page 149 to 154
GRI 204: Procurement Practices – 2016	204-1	Proportion of spending on local suppliers	SR 2025/26: Key performance indicators NB. Services spending has not been included as it falls outside the scope of our major business activities.	SR 2025/26: page 155 to 183
GRI 308: Supplier Environmental Assessment – 2016	308-1	New suppliers that were screened using environmental criteria	SR 2025/26: Key performance indicators	SR 2025/26: page 155 to 183
	308-2	Negative environmental impacts in the supply chain and actions taken	SR 2025/26: Trust and Transparency – Supply chain, Key performance indicators NB. We are not aware of any negative environmental impacts in our supply chain. A low score in the assessment for the evaluated suppliers does not necessarily indicate a negative impact on the environment. The performance of the suppliers in the ESG assessment can be found in the supply chain section and the key performance indicators.	SR 2025/26: page 149 to 154, 155 to 183
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	SR 2025/26: Key performance indicators	SR 2025/26: page 155 to 183
	414-2	Negative social impacts in the supply chain and actions taken	SR 2025/26: Trust and Transparency – Supply chain, Key performance indicators NB. We are not aware of any negative social impacts in our supply chain. A low score in the assessment for the evaluated suppliers does not necessarily indicate a negative impact on the society. The performance of the suppliers in the ESG assessment can be found in the supply chain section and the key performance indicators.	SR 2025/26: page 149 to 154, 155 to 183

Appendix 5: SASB Standards

Auto parts (TR-AP) / Industrial Machinery and Goods (TR-IG)

Abbreviation	SR 2025/26: Sustainability Report 2025/26 (this report)

SASB code	Accounting metric	Sections/notes	Page no.
Energy management			
TR-AP-130a, RT-IG-130a.1	Total energy consumed Percentage grid electricity Percentage renewable	SR 2025/26: Key performance indicators	SR 2025/26: page 155 to 183
Waste management			
TR-AP-150a.1	Total amount of waste from manufacturing Percentage hazardous Percentage recycled	SR 2025/26: Key performance indicators	SR 2025/26: page 155 to 183
Product safety			
TR-AP-250a.1	Number of recalls issued; total units recalled	SR 2025/26: Key performance indicators	SR 2025/26: page 155 to 183
Design for fuel efficiency			
TR-AP-410a.1	Revenue from products designed to increase fuel efficiency and/or reduce emissions	SR 2025/26: Key performance indicators	SR 2025/26: page 155 to 183
Materials sourcing			
TR-AP-440a.1, RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	SR 2025/26: Products – Material management and use	SR 2025/26: page 38 to 39
Remanufacturing Design & Services			
RT-IG-440b.1	Revenue from remanufactured products and remanufacturing service	Not applicable as we do not have remanufactured products nor service	
Materials efficiency			
TR-AP-440b.1	Percentage of products sold that are recyclable	Currently not reported	
TR-AP-440b.2	Percentage of input materials from recycled or remanufactured content		
Employee health and safety			
RT-IG-320a.1	Total recordable incident rate Fatality rate Near miss frequency rate	SR 2025/26: Key performance indicators	SR 2025/26: page 155 to 183
Fuel Economy and emissions in use-phase			
RT-IG-410a.1	Sales-weighted fleet fuel efficiency for medium and heavy-duty vehicles	Not applicable as we do not have such vehicles, equipment, generators nor mentioned engines	
RT-IG-410a.2	Sales-weighted fuel efficiency for non-road equipment		
RT-IG-410a.3	Sales-weighted fuel efficiency for stationary generators		
RT-IG-410a.4	Sales-weighted emissions of: (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium and heavy-duty engines, and (d) other non-road diesel engines	Not applicable as we do not have such vehicles, equipment, generators nor mentioned engines	
Competitive behaviour			
TR-AP-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	SR 2025/26: Key performance indicators	SR 2025/26: page 155 to 183
Activity metrics			
TR-AP-000.A	Number of parts produced	Currently not reported	
TR-AP-000.B	Weight of parts produced		
RT-IG-000.A	Number of units produced by product category		
TR-AP-000.C	Area of manufacturing plants	Total area of manufacturing plants (including leased and owned) is approximately 1,490,000 m^2 as of March 31, 2026	
RT-IG-000.B	Number of employees	SR 2025/26: Key performance indicators	SR 2025/26: page 155 to 183

Appendix 6: Certification Status

Region: The Americas

Location	Entity	ISO 14001	ISO 45001	ISO 50001	IATF 16949	ISO 9001	ISO 13485	IECQ QC 080000	TISAX	ISO/ IEC 17025
Vandalia, USA	Johnson Medtech LLC	✓	✓				✓			
Vandalia, USA	Parlex USA LLC	✓	✓			✓				
Vandalia, USA	Saia-Burgess LLC	✓	✓		✓	✓				
Springfield, USA	Saia-Burgess Automotive Actuators LLC	✓	✓		✓	✓				
Mississauga, Canada	Johnson Electric Canada Ltd., Mississauga Facility	✓			✓					
Mississauga, Canada	Johnson Electric Motion Technology Canada Ltd., Mississauga Facility	✓	✓		✓					
Ancaster, Canada	Johnson Electric Motion Technology Canada Ltd., Ancaster Facility	✓	✓		✓					
Ancaster, Canada	Johnson Electric Canada Ltd., Ancaster Facility	✓			✓					
Stratford, Canada	Johnson Electric Canada Ltd., Stratford Facility	✓			✓					
Buenos Aires, Argentina	M.M.A. (Manufactura de Motores Argentinos) S.r.l.	✓			✓					
Zacatecas, Mexico	Johnson Electric Group Mexico, S.de R.L. de C.V.	✓			✓	✓				
Arujá, Brazil	Johnson Electric Automotivo Brasil Ltda.	✓	✓		✓					

ISO 14001 – Environmental Management Systems (EMS), ISO 45001 – Occupational Health and Safety Management Systems (OH&S), ISO 50001 – Energy Management Systems (EnMS), IATF 16949 – International Automotive Quality Management System (QMS), ISO 9001 – Quality Management Systems (QMS), ISO 13485 – Medical Devices – Quality Management Systems (QMS), IECQ QC 080000 – Hazardous Substance Process Management System (HSPM), TISAX – Trusted Information Security Assessment Exchange, ISO/IEC 17025 – General Requirements for the Competence of Testing and Calibration Laboratories

Region: Europe and the Middle East

Location	Entity	ISO 14001	ISO 45001	ISO 50001	IATF 16949	ISO 9001	ISO 13485	IECQ QC 080000	TISAX	ISO/ IEC 17025
Yokneam, Israel	Nanomotion Ltd.	✓				✓				
Izmir, Turkey	Johnson Electric Otomotiv Ürünleri Limited Şirketi.	✓	✓		✓					
Hirson, France	AML Systems SAS	✓	✓		✓	✓				
Hatvan, Hungary	Johnson Electric Hungary Kft.	✓	✓		✓	✓				
Asti, Italy	Johnson Electric Asti S.r.l.	✓	✓		✓	✓			✓#	
Niš, Serbia	Johnson Electric Doo Niš	✓	✓	✓	✓	✓			✓#	
Oehringen, Germany	Johnson Electric Oehringen GmbH	✓			✓	✓			✓	
Murten, Switzerland	Johnson Electric International AG	✓	✓		✓	✓				
Będzin, Poland	Johnson Electric Poland Sp. z o.o.	✓	✓		✓	✓				
Aachen, Germany	Johnson Electric Aachen GmbH	✓	✓			✓			✓	

ISO 14001 – Environmental Management Systems (EMS), ISO 45001 – Occupational Health and Safety Management Systems (OH&S), ISO 50001 – Energy Management Systems (EnMS), IATF 16949 – International Automotive Quality Management System (QMS), ISO 9001 – Quality Management Systems (QMS), ISO 13485 – Medical Devices – Quality Management Systems (QMS), IECQ QC 080000 – Hazardous Substance Process Management System (HSPM), TISAX – Trusted Information Security Assessment Exchange, ISO/IEC 17025 – General Requirements for the Competence of Testing and Calibration Laboratories

Certificates newly obtained in FY25/26

Appendix 6: Certification Status

Region: Asia Pacific

Location	Entity	ISO 14001	ISO 45001	ISO 50001	IATF 16949	ISO 9001	ISO 13485	IECQ QC 080000	TISAX	ISO/ IEC 17025
Shajing, China	Hwa Sun (Guangdong) Co Ltd	✓	✓	✓	✓	✓			✓	
Shajing, China	Hwa Sun (Guangdong) Co Ltd Shenzhen 2nd Branch	✓	✓	✓*	✓	✓				
Shajing, China	Johnson Medtech (Shenzhen) Co Ltd	✓	✓	✓*		✓	✓			
Shajing, China	Johnson Electric (Guangdong) Co., Ltd.	✓	✓	✓	✓	✓			✓	
Shajing, China	Johnson Electric (Shenzhen) Co., Ltd.	✓	✓	✓*						✓
Jiangmen, China	Hwa Sun (Jiangmen) Co Ltd	✓	✓	✓	✓	✓		✓	✓	
Jiangmen, China	Johnson Electric (Jiangmen) Co Ltd	✓	✓	✓	✓	✓		✓	✓	
Beijing, China	Johnson Electric (Beijing) Co. Ltd.	✓	✓		✓					
Shanghai, China	Parlex (Shanghai) Electronics Co., Ltd.	✓	✓	✓	✓	✓				
Shanghai, China	Shanghai Malu Ri Yong JEA Gate Electric Co., Ltd.	✓	✓	✓	✓	✓				
Zhengzhou, China	Zhengzhou Ri Yong JEA Gate Electric Co., Ltd.	✓	✓		✓	✓				
Changzhou, China	Johnson Electric Motion Technology (Changzhou) Co. Ltd.	✓	✓		✓	✓			✓#	
Wuxi, China	AML Automotive Active Modules (Wuxi) Co., Ltd.	✓	✓		✓					
Nanjing, China	Johnson Electric Nanjing Co., Ltd.	✓	✓		✓	✓				
Hong Kong SAR	Johnson Electric Industrial Manufactory, Limited	✓	✓		✓	✓			✓	
Hong Kong SAR	Johnson Electric Industrial Manufactory, Limited (Headquarters)	✓	✓		✓	✓			✓	
Changchun, China	Changchun Ri Yong JEA Gate Electric Co., Ltd.	✓	✓		✓	✓				
Chengdu, China	Chengdu Ri Yong JEA Gate Electric Co., Ltd.	✓	✓		✓	✓				
Wuhan, China	Wuhan Ri Yong JEA Gate Electric Co., Ltd	✓	✓		✓	✓				
Chennai, India	Johnson Electric Private Limited	✓	✓		✓	✓				
Ochang, South Korea	Johnson Electric Operations Ltd.	✓	✓		✓					

ISO 14001 – Environmental Management Systems (EMS), ISO 45001 – Occupational Health and Safety Management Systems (OH&S), ISO 50001 – Energy Management Systems (EnMS), IATF 16949 – International Automotive Quality Management System (QMS), ISO 9001 – Quality Management Systems (QMS), ISO 13485 – Medical Devices – Quality Management Systems (QMS), IECQ QC 080000 – Hazardous Substance Process Management System (HSPM), TISAX – Trusted Information Security Assessment Exchange, ISO/IEC 17025 – General Requirements for the Competence of Testing and Calibration Laboratories

ISO 14001 – Environmental Management Systems (EMS), ISO 45001 – Occupational Health and Safety Management Systems (OH&S), ISO 50001 – Energy Management Systems (EnMS), IATF 16949 – International Automotive Quality Management System (QMS), ISO 9001 – Quality Management Systems (QMS), ISO 13485 – Medical Devices – Quality Management Systems (QMS), IECQ QC 080000 – Hazardous Substance Process Management System (HSPM), TISAX – Trusted Information Security Assessment Exchange, ISO/IEC 17025 – General Requirements for the Competence of Testing and Calibration Laboratories

* Production area covered by the Energy Management System certificates of Hwa Sun (Guangdong) Co., Ltd, Johnson Electric (Guangdong) Co., Ltd., Hwa Sun (Jiangmen) Co., Ltd and Johnson Electric (Jiangmen) Co., Ltd

\# Certificates newly obtained in FY25/26

Appendix 7: List of Sustainability Related Policies

Area	Policy
Products	• Product quality and safety policy
Environment	• Environment, health and safety policy • Biodiversity policy • Global EH&S management system (consisting of 22 EH&S core elements)
Employees	• Equal employment opportunity policy • Work from home policy • Prevention of child labour, forced labour and human trafficking policy • Compensation and benefit policy • Freedom of association and right of collective bargaining policy • Harassment free workplace policy • “My Career in Motion” policy • Learning and talent management policy • Environment, health and safety policy • Global EH&S management system (consist of 22 EH&S core elements)
Trust and transparency	• Code of ethics and business conduct • Corporate ethics hotline (whistle-blower) policy • Anti-bribery policy • Board diversity policy • Cybersecurity policy • Data leakage prevention policy • Disaster recovery and business continuity plan policy • Information security policy for suppliers • Privacy and personal data protection policy • Corporate policy for AI software • Sustainable procurement policy • Supplier Code of Conduct • Responsible minerals policy • Supplier terms and conditions

Appendix 8: Glossary

Category	Term	Explanation
General	CDP	CDP is a not-for-profit organization that operates a global disclosure system for companies, cities, states, and regions to manage their environmental impacts.
	EcoVadis	EcoVadis is a global platform that provides sustainability ratings and performance improvement tools for companies. The platform assesses companies’ environmental, social, and ethical practices by evaluating their policies, procedures and performance.
	ESG	Environmental, social, and governance
	FTSE4Good Index Series	Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong environmental, social and governance (ESG) practices.
	GRI	Global Reporting Initiative
	HKEX	Hong Kong Stock Exchange
	HKQAA	Hong Kong Quality Assurance Agency
	KPI	Key performance indicators
	MARBLE values	The acronym ‘MARBLE’, which is referenced elsewhere in this report, is derived from the first letter of each of Johnson Electric’s core values.
	MSCI	Morgan Stanley Capital International
	SVP	Senior Vice President
	SASB	Sustainability Accounting Standards Board
	S&P Global Sustainability Yearbook (China)	The S&P Global Sustainability Yearbook (China) is a prestigious publication that recognizes Chinese companies for their sustainability efforts. The Corporate Sustainability Assessment by S&P Global is a thorough evaluation process that assesses companies on various sustainability criteria.
	UN SDGs	United Nations Sustainable Development Goals

Appendix 8: Glossary

Category	Term	Explanation
Products	APG	Our Mobility Segment (Automotive Products Group)
	ANSI	American National Standards Institute
	BEV	Battery electric vehicles
	CMD	Condensation Management Device
	Cpk	Cpk (process capability index) is used to measure the ability of a process to produce output within the specification limits defined by the customer.
	CSA	Canadian Standards Association
	DC	Direct current
	EC	Electronically commutated
	ELV	End-of-life vehicles
	EMB	Electromechanical braking
	EPD	Environmental product declaration
	EU Taxonomy	The EU Taxonomy is a classification system developed by the European Union to identify economic activities that contribute to the transition to a sustainable economy. The taxonomy sets out a list of environmentally sustainable economic activities, based on their contribution to six environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems.
	EV	Electric vehicles
	IATF 16949	Global quality management system standard for the automotive industry
	ICE	Internal combustion engine
	IEC	International Electrotechnical Commission
	IECQ QC080000	Hazardous substance process management system for hazardous-substance-free legal and customer requirements
	IPG	Our Industrial, Professional and Consumer Segments (Industry Products Group)
	ISO 13485	Medical devices quality management systems
	ISO/IEC 17025	Management system for testing and calibration laboratories
	ISO 14067	Carbon product footprint standard
	ISO 9001	Quality management systems
	ITMS	Integrated Thermal Management System
	JEPDS	Johnson Electric Products Development System
	JEPS	Johnson Electric Production System
Products (Con't)	LCA	Life cycle assessment
	NEV	New energy vehicles
	NEMA	National Electrical Manufacturers Association
	NVH	Noise, vibration and harshness
	PCF	Product carbon footprint
	REACH	Registration, evaluation, authorization, and restriction of chemicals
	RoHS	Restriction of hazardous substances
	SBW	Steering-by-wire
	UART	Universal Asynchronous Receiver-Transmitter
	UL	Underwriters Laboratories
	V-model	A sequential software development process emphasizing testing to ensure quality and reliability in product development

Appendix 8: Glossary

Category	Term	Explanation
Environment	EH&S	Environment, Health and Safety
	Energy intensity	Energy intensity = total energy consumption within the organization (GJ) ÷ total sales (US$ million)
	GHG Protocol	Greenhouse Gas Protocol
	HVAC	Heating, ventilation and air conditioning
	RECs	Renewable Energy Certificates
	ISO 14001	Environmental management systems
	ISO 14064	International standard for qualifying and reporting greenhouse gas emissions
	ISO 50001	Energy management systems
	LPG	Liquefied petroleum gas
	ODS	Ozone-depleting substances
	PPA	Power purchased agreement
	Renewable electricity	Renewable electricity is generated from renewable energy sources such as wind, solar, hydro, and geothermal
	TCFD	Task Force on Climate-related Financial Disclosures
	Water stress	A situation in which the water resources in a region or a country are insufficient for its needs
	SBTi	Science Based Targets initiative
	Scope 1	Direct greenhouse gas emissions from sources that are owned or controlled by an organization, such as combustion of fossil fuels and natural gas
	Scope 2	Indirect greenhouse gas emissions from the generation of purchased electricity, heat, or steam consumed by an organization
	Scope 3	Indirect greenhouse gas emissions from activities outside an organization's own operations
	VOC	Volatile organic compounds
	Zero waste to landfill	99% or more of generated waste being diverted away from landfill
Employees	AED	Automated external defibrillator is a portable medical device that delivers an electric shock to restore normal heart rhythm in sudden cardiac arrest
	AI	Artificial intelligence
	DE&I	Diversity, equity and inclusion
	First aids	OSHA (Occupational Safety and Health Administration) defines a first-aid case as a minor injury that can be treated quickly and effectively with simple first-aid measures
	Hazards	Hazards in workplace refer to potential sources of harm or injury to employees
	HR	Human resources
	ISO 45001	Occupational health and safety management systems
	JEDi	Johnson Electric Digital Transformation Champions
	JEwel	Our monthly JEwel awards encourage the sharing of best practices, recognizing winning projects and teams during the year.
	LOR	List of requirements for machine safety for both existing equipment used in-house and new machines purchases
	Lost-time accidents/LTA	Workplace incidents causing employee absence with more than one lost-time day
	LOTO	Log-out/tag-out
	Near-misses	Incidents that could have resulted in injury or damage, but were prevented due to timely corrective action
	OSHA	Occupational Safety and Health Administration
	PPE	Personal protective equipment
	Recordable injuries	A work-related injury or illness which must be recorded under the Occupational Safety and Health Act
	VR	Virtual reality
Communities	JEnerations	The JEnerations program encourages our employees to get involved in social impact and community outreach activities that enrich our local communities through volunteering.
	JETC	Johnson Electric Technical College
	STEM	Science, technology, engineering and mathematics

Appendix 8: Glossary

Category	Term	Explanation
Trust and Transparency	3TG	Tin, tantalum, tungsten, and gold
	CSR	Corporate social responsibility
	CMRT	Conflict Minerals Reporting Template
	EMRT	Extended Minerals Reporting Template
	GDPR	General Data Protection Regulation
	GTB	The Global Technology Board
	IIRC	International Integrated Reporting Council
	ILO	International Labour Organization
	IFRS	International Financial Reporting Standards
	LBMA	London Bullion Market Association
	NGO	Non-governmental organization
	OECD	Organization for Economic Cooperation and Development
	RCOI	Reasonable Country of Origin Inquiry
	RMAP	Responsible Minerals Assurance Process
	RMSC	The Risk Management Steering Committee
	SISC	The Social Impact and Sustainability Committee
	SOP	Standard operating procedure
	SAQ	Supplier assessment questionnaire
	TISAX	Trusted Information Security Assessment Exchange
	VRF	Value Reporting Foundation

Appendix 9: Verification Statement

Independent Assurance Report

1. Introduction

Hong Kong Quality Assurance Agency ("HKQAA", "we", "our", "us") was engaged by Johnson Electric Holdings Ltd ("the Company") to conduct an independent assurance of the sustainability disclosures ("Sustainability Disclosures") presented in its Sustainability Report 2025/26 ("the Report") for the reporting period from 1st April 2025 to 31st March 2026 ("Reporting Period") and issue this Independent Assurance Report ("Assurance Report"). For the avoidance of doubt, the Appendices listed at the end of this Assurance Report form an integral part of it, though certain Appendices are intended for the Company's internal use only. Our sustainability assurance activities and this Assurance Report are undertaken based on the assumptions, dependencies, boundaries, limitations, exclusions, roles and responsibilities and independence as set out under Appendix A. A generic version of Appendix A is available for reference on the HKQAA website (www.hkqaa.org) under the navigation path: News & Resources > Guides & Forms > Guidelines > Sustainability Assurance.

The objective of this sustainability assurance service is to provide an independent conclusion, with a limited level of assurance, on whether the Sustainability Disclosures have been prepared in accordance with the following reporting criteria:

- The Environmental, Social and Governance Reporting Code ("ESG Reporting Code") set out in Appendix C2 of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited
- Sustainability Accounting Standards Board ("SASB") Industry Standards version 2023-12 for "Auto Parts" and "Industrial Machinery and Goods".

The assurance team also reviewed whether the Sustainability Disclosures have been prepared with reference to the Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards"), with our assurance engagement limited to the specific referenced sections as listed in the Report only.

2. Assurance Methodology

HKQAA's assurance procedure was conducted with reference to the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000"), issued by the International Auditing and Assurance Standards Board ("IAASB").

The evidence gathering processes were designed to obtain a limited level of assurance, as set out in the ISAE 3000, using a risk-based approach. Our assurance procedures included, but were not limited to:

- reviewing relevant policies, procedures, relevant documentation and records provided by the Company, including those related to sustainability-related information such as governance, risk identification, and performance metrics;
- interviewing key management and responsible personnel of the Company for reporting and sustainability-related governance;
- conducting analytical reviews of disclosures for plausibility and consistency with relevant external frameworks and internal supporting data;
- selecting representative samples of disclosures, with a focus on materiality and risk, and assessing the underlying evidence for each sample using judgmental sampling;
- evaluating the transparency of disclosed assumptions, dependencies, and boundaries; and
- assessing the completeness of coverage with respect to the requirements of the reporting criteria, including reviewing methodologies used for estimations, sensitivity analyses, and disclosures of uncertainties.

Appendix 9: Verification Statement

3. Conclusion

Based on the procedures performed, evidence obtained, and subject to the stated assumptions, dependencies, boundaries, limitations, and exclusions, nothing has come to our attention that causes us to believe that the Sustainability Disclosures in the Company's Sustainability Report 2025/26 for the Reporting Period from 1st April 2025 to 31st March 2026 are not presented, in all material respects, in accordance with the requirements of the ESG Reporting Code, and with reference to reporting criteria as stated in the Introduction section of this Assurance Report.

This Assurance Report is made solely for the use of Johnson Electric Holdings Ltd and the users of its Sustainability Report 2025/26, and for use in the context and purpose described in the Introduction section of this Assurance Report. We do not accept or assume responsibility for any other purpose or to any other person to whom this Assurance Report is shown or in whose hands it may come. We confirm our independence from the Company in conducting this engagement.

The engagement leader on the assurance engagement resulting in this Assurance Report is KT Ting.

Signed on behalf of Hong Kong Quality Assurance Agency

Hong Kong Quality Assurance Agency

May 2026

Ref: 15000900

Appendix 10: About this Report

Our Sustainability Report 2025/26 (the "Report") covers the sustainability performance of Johnson Electric Holdings Limited (the "Company") (Stock code: 179) and all of its subsidiaries (collectively the "Group" or "Johnson Electric"). It should be read in conjunction with the Group's Annual Report 2025/26, in particular the Management's Discussion and Analysis and the Corporate Governance Report sections.

The information presented in this Report relates to the sustainability performance and activities of Johnson Electric's major operating locations worldwide from 1 April 2025 to 31 March 2026. All major sites are included, unless otherwise stated.

Our Report was prepared in accordance with the Environmental, Social and Governance Reporting Code ("ESG Reporting Code") set out in Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("HKEX"). Our report was also prepared in accordance with the Global Reporting Initiative ("GRI") Reporting Standards and with reference to the Sustainability Accounting Standards Board's ("SASB") industry standards for auto parts and industrial machinery and goods. It has been independently verified by the Hong Kong Quality Assurance Agency ("HKQAA").

The HKEX content index can be found on pages 197 to 214, the GRI content index on pages 215 to 225, and the SASB content index on pages 226 to 227. The HKQAA verification statement can be found on page 239 to 240. Our Report is published in English and Chinese. Both versions are available for download from www.johnsonelectric.com. In the interests of environmental protection, we do not provide printed copies of this Report. We welcome feedback on the Report and our sustainability approach. Please contact us with any comments or questions at sustainability@johnsonelectric.com.

Disclaimer

This Sustainability Report contains certain forward-looking statements with respect to our future plans, targets, objectives, expectations and intentions. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual performance of Johnson Electric to be materially different from any performance expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding Johnson Electric's present and future business strategies and the socio-political and economic environment in which Johnson Electric will operate in the future. Laws and regulations in the jurisdictions where we operate are also subject to potential change. Consequently, our sustainability targets are not projections or estimates of future performance. Instead, they represent targets that we strive to achieve.



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