



**2018 | FUYAO GLASS**

**ENVIRONMENTAL  
SOCIAL AND GOVERNANCE REPORT**

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## About this Report

The report is approved by the Board of Directors. Fuyao Glass Industry Group Co., Ltd. warrants that the content of this report does not contain any false representations, misleading statements or material omissions.

## Reporting Scope

This report principally includes the principal domestic business of the Company and its major affiliates under operation control covering the period of January 1 to December 31, 2018. Some content can be traced back to past years or extend to FY2019. "1 yuan", "10,000 yuan", "100 million yuan" in this report refer to "Renminbi 1 Yuan", "Renminbi 10,000 Yuan", "Renminbi 100 million Yuan", unless otherwise stated.

## Definitions

For shorter form of expression, "Fuyao", "Fuyao Group", "Company", "the Company", and "we" refer to Fuyao Glass Industry Group Co., Ltd.

## References

This report is written in accordance with the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") in Appendix 27 to the Main Board Listing Rules of Hong Kong Exchanges and Clearing Limited ("HKEx") as well as G4 Sustainability Reporting Standard ("Standard") released by Global Reporting Initiative ("GRI"), Guidance on Social Responsibility (GB/T 36000-2015), Guidance on Social Responsibility Reporting (GB/T 36001-2015), Guidance on Classifying Social Responsibility Performance (GB/T 36002-2015) released by State Administration for Quality Supervision and Inspection and Quarantine and Standardization Administration of China, and Guidance on Social Responsibility (ISO 26000) released by International Standard Organization.

## Source of Data

All information and data in this report are from formal documents, statistic reports and financial report, etc. of the Company and reviewed by relevant departments.

## Report Availability

Both Chinese and English versions of this report can be viewed on the Company's official website at <http://www.fuyaogroup.com>, Shanghai Stock Exchange's official website at <http://www.sse.com.cn> and Hong Kong Stock Exchange's official website at <http://www.hkexnews.hk>. In case of any conflict or inconsistency between the Chinese version and the English version, the Chinese version shall prevail; in case of any conflict or inconsistency between this report and the Group's annual report, the annual report shall prevail.

## Contact Information

If you have any questions or suggestions regarding any of the information in this report, please contact us in the following ways:

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# ABOUT FUYAO GROUP







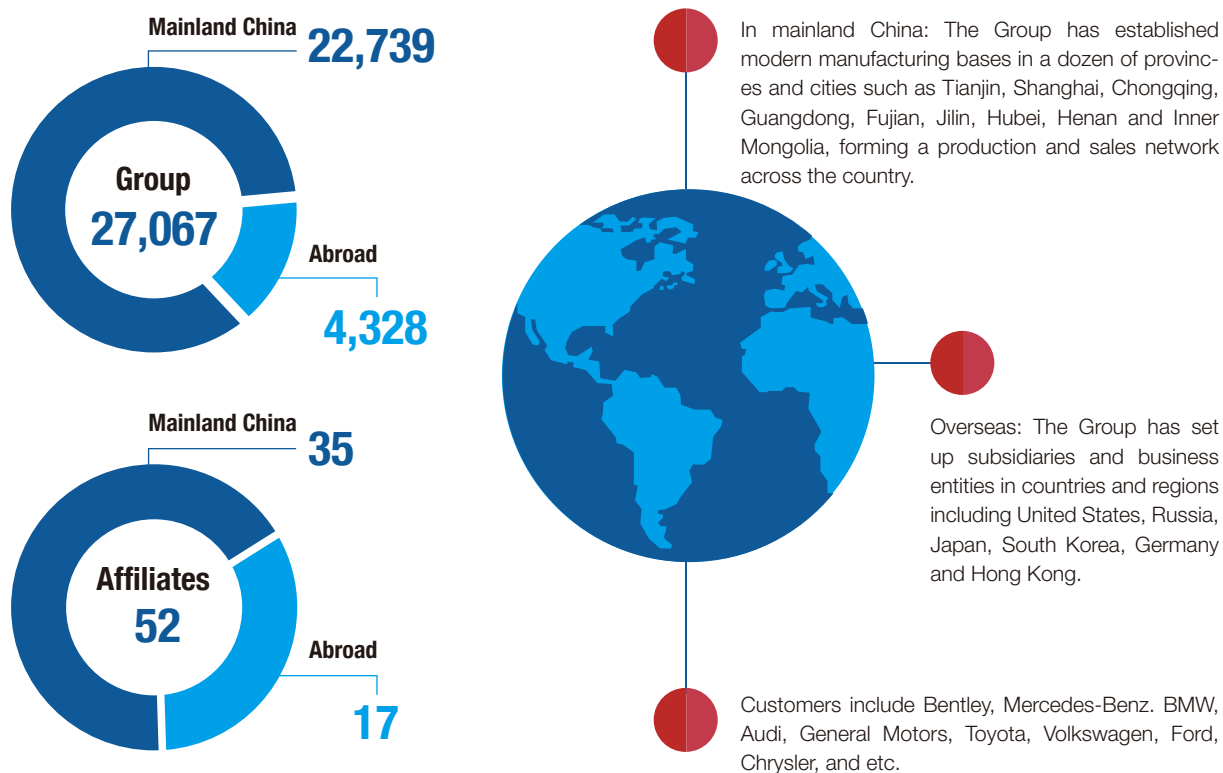
## 1.1 / Company Profile

Fuyao Glass Industry Group Co., Ltd. was incorporated in 1987. The Company outstripped its peer companies in listing on the main board of Shanghai Stock Exchange in June 1993, and commenced trading on the Stock Exchange of Hong Kong Limited (“HKEx”) in March 2015, for the purpose of expanding its presence in international market.

Since its inception, Fuyao Group has made progress towards self-perfection and maintained its inherent sense of mission: from “making our pieces of glass for Chinese” to “setting an example for automotive glass suppliers”, from “Fuyao benefiting the world” to social charity activities under the leadership of the Chairman, Fuyao Group upholds the core values of “diligence, simplicity, learning and innovation” and leverages technical and innovative culture and talents, so that it has systemically cultivated the sustainable competitive advantages and profitability for “Fuyao” to become a reliable company for customers, shareholders, employees, suppliers, government, distributors and the society in the long run.

The Company is principally engaged in providing total solutions of safety glass for various transportation vehicles, including design, manufacture and sale of automotive grade float glass, automotive glass and locomotive glass and provision of relevant services. The business model of the Company is globalized research and development, design, manufacture, distribution and after-sales services. Adhering to its brand development strategy of maintaining an industry-leading position in technology and quickly responding to market changes, the Company works with its customers on product design, manufacturing and rendering of services, focuses on improving business ecological chain and responds to the ever-changing demand of customers systematically, professionally and rapidly, thus creating value for its customers. Fuyao is an enterprise under green development model featuring strong sense of social responsibility, safety, environmental protection, integrity and win-win cooperation.

## 1.2 / Annual Operation



### Operational results of FY 2018:

With total assets of RMB 34.49 billion

Company realized revenue of RMB 20.225 million, representing an increase of 8.08% as compared with the corresponding period last year

realized profit before tax of RMB 4,962 million, representing an increase of 34.86% as compared with the corresponding period last year

it realized basic earnings of  
RMB 1.64 per share

it paid taxes totalling  
RMB 2,351 million

social contribution value of  
RMB 4.27 per share

# CORPORATE GOVERNANCE










## 2.1 / Corporate Governance Concept

Embracing the social responsibility concept of “developing ourselves while benefiting the world” and upholding the vision of “making our pieces of glass for Chinese” since the establishment, Fuyao Group strives for the goal of “becoming the most competitive automotive glass supplier in the world”. In this process, Fuyao Group adheres to the goal of being loyal partner of global clients, model of global industry, best employer of global employees, and trusted brand of global public. Based upon its own expansion and development, Fuyao Group rewards society by practical actions, including caring for nature, protecting the environment, zealously participating in public welfare undertakings, actively fulfilling social responsibilities, unifying the Company’s economic benefits and social benefits, and harmonizing the development of the Company and of the society.

## 2.2 / Stakeholders Engagement

The Group adopts diversified communication mechanisms to communicate directly with all the stakeholders involved, including the government, shareholders, employees, customers, the community and the society, business partners and environmental groups, and proactively responds to their expectations for the Group.

Stakeholders	Stakeholder's Expectation	Communication System
 Government	Law compliance Legal tax payment Support in local development	Daily management Meeting Supervision
 Shareholder	Sustainable development, returns to shareholders Information disclosure, investor relationship Corporate governance, risk control	General Meetings of Shareholders Information disclosure Activities of investor relationship
 Customer	High-quality products Superior service Consumer rights protection	Product quality management Customer satisfaction survey
 Employee	Salaries and welfare assurance Good working environment and development platform Equal opportunities of promotion and development	Compensation and benefit Staff care Democratic management Staff training
 Partner	Commitment fulfilment Fair, open and righteous purchasing Win-win development	Supplier management system Supplier conference
 Society	Contribution to urban development Public notion improvement Contribution to community harmony	Charity, Create jobs Community construction Care for elder and children
 Environment	Environment protection improvement Ecological balance protection	Emission management Resource reduction



## 2.3 / Materiality Assessment

In accordance with the ESG Reporting Guide released by HKEx, Fuyao Group has established the ESG materiality assessment model. Through seeking feedback from internal stakeholders, conducting external consultation with third-party professional organizations, and taking account of relevant standards for social responsibilities, the Group also has collected relevant issues and ranked such issues in the material perspective of “impact on the Company’s business” and “impact on stakeholders”, and determined the material issues deemed significant and thus would be prioritized in disclosures and responses thereafter.

### A. Environmental

Environmental and social areas listed in the ESG Reporting Guide	Significant environmental and social issues of the Group
<b>A1</b> Emissions	1. Environmental management polices 2. Environmental management system 3. Waste gas emissions 4. Waste water emissions 5. Greenhouse gas emissions 6. Hazardous and non-hazardous waste emissions
<b>A2</b> Use of Resources	7. Energy consumption 8. Water consumption 9. Packaging materials consumption 13. Development and use of cleantech
<b>A3</b> Environment and Natural Resources	10. Noise control 11. Green products 12. Ecological protection and biodiversity conservation

### B. Social

Environmental and social areas listed in the ESG Reporting Guide	Significant environmental and social issues of the Group
<b>B1</b> Employment	14. Recruitment 15. Compensation and benefit 16. Democratic management 17. Diversity and equal opportunity 18. Working hours and holidays 19. Staff care 20. Compliance with the core conventions of International Labor Organization 21. Staff satisfaction survey
<b>B2</b> Health and Safety	22. Production safety 23. Occupational health 24. Occupational health and safety management system (“OHSMS”)

Environmental and social areas listed in the ESG Reporting Guide	Significant environmental and social issues of the Group
<b>B3</b> Development and Training	25. Staff training 26. Talent team construction
<b>B4</b> Labor Standards	27. Preventing child labor and forced labor 28. Labor union and collective contract
<b>B5</b> Supply Chain Management	29. Supplier management
<b>B6</b> Product Responsibility	30. Product quality 31. Customer service 32. Product recall 33. Intellectual property 34. Information security
<b>B7</b> Anti-corruption	35. Anti-corruption 36. Whistleblowing policies and channels 37. Commercial ethic policies 38. Anti-unfair competition
<b>B8</b> Community Investment	39. Charity and public benefit activities 40. Employment promotion 41. Community construction 42. Respecting the old and cherishing the young

## Results of Fuyao



## 2.4 / Responsible Operation

### ● Improving governance structure

In strict compliance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Rules for Governance of Listed Companies and other documents relating to corporate governance issued by China Securities Regulatory Commission ("CSRC"), Shanghai Stock Exchange ("SSE") and HKEx, the Company strengthened the standard organization of the Shareholders' Meeting, the Board of Directors and the Board of Supervisors, continuously improved the corporate governance structure, and standardized the Company's operation.

The Board of Directors has established the Nomination Committee, the Strategy and Development Committee, the Remuneration and Assessment Committee and the Audit Committee. The Committees have respective terms of reference, report to the Board of Directors, and provide suggestions and consultations to the Board of Directors in decision-making under the leadership of the Board of Directors.

### ● Strengthening risk control

The Company set up a scientific governing framework to continuously improve the internal supervision and control mechanism. Based on internal control provisions such as the Internal Control Management Handbook, the Internal Control Management Policy, the Internal Audit Management Policy, and the Internal Evaluation Management Policy, the Company continuously improved the internal supervision and control mechanism by preventing, identifying and cracking down frauds, so as to make the Company's anti-fraud control system work effectively.

Each year, the Company employs external auditing agencies to independently audit the Company's risk of internal control fraud, which will be further reported to the Audit Committee under the Board of Directors, so as to effectively prevent the Company from making false financial reports or concealing the misappropriation of assets and other frauds, and ensure the Company's operation and management develop in a sustainable and healthy way.

In 2018, the Company did not have any corruption or fraud.

### ● Creating atmosphere of integrity

Fuyao Group stays true to the management philosophy of "Human-orientation and integrity", adopts the honest culture value cycle of "Product-service-morality-responsibility" as its bedrock principle, and prioritizes the Company's brand strategy of "moral standing, product, quality and taste" with moral standing in the first place. The staff of the Company uphold the team concept of "unity, efficiency, cleanness, fairness", view "diligence, simplicity, learning and innovation" as core values and maintain upright, righteous, independent, sincere, and positive with a view to qualifying as honest, trustworthy and principled Fuyao staff.

To enhance the self-discipline awareness of all employees, the Company regularly advocates incorruptions with investigations conducted on a regular basis, including posting clean conduct and self-discipline warning notices before traditional holidays, imposing mandatory rotation requirements for positions exposed to significant risks; and signing Integrity Commitment Letter with all the external units exposed to significant risks.

### ● Establishing a sound supervision mechanism

Strictly abiding by relevant laws and regulations, the Company has established a sound internal control structure consisting of rigorous policies, internal control management manuals and supportive fraud and unethical behaviors of Fuyao;

**Related policies developed by the Company:**

Anti-Fraud Management Policy	It is stipulated that middle and senior management personnel and ordinary employees should strictly abide by laws, regulations, professional ethics and codes, safeguard the legitimate rights and interests of the Company and shareholders, and mitigate the risk of corporate fraud.
Interest Conflict Investigation Management Personnel Avoidance System	It is stipulated that the Company's directors, supervisors, senior management and all staff shall abide by segregation of duties and avoid any conflicting issues related to Company's interests, highlight the principle of "Focusing on prevention; staff cleanness and discipline" in anti-fraud and anti-corruption, so as to effectively secure Company's interests.
Employee Code of Conduct Cleanness and Discipline Management Regulation	These regulations require the staff to follow professional ethics and strictly prohibit them from obtaining benefits through bribery or other unethical means.

### ● Perfecting the reporting mechanism

The Company has set up the reporting mechanism and furnished open reporting channels to create an environment where everyone is responsible for company's interests.

**The following measures have been taken:**

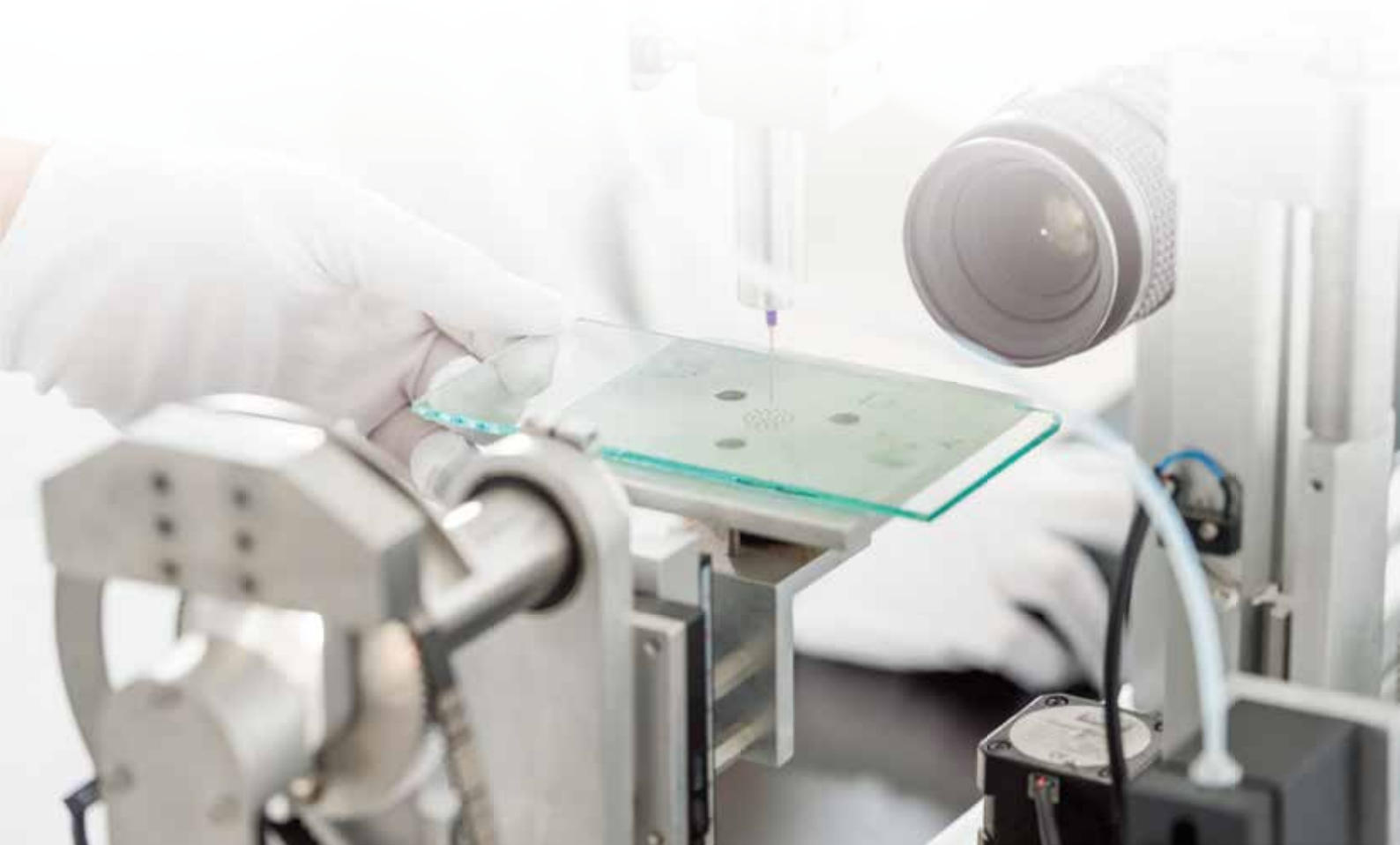
The Company has set up a whistle-blower hotline (0591-85363456) and an E-mail (GM@fuyao.com), for shareholders, customers, suppliers, the public and Fuyao staff to report confirmed or suspected fraud.

The Company's Board of Directors authorizes the independent Internal Audit Department to accept and handle reporting of misconduct and report to management and the Board of Director on investigation results.

The Company's Audit Department keeps informants' information in confidence and has formulated mechanism to protect and encourage whistle blowers.



# SHAPING FUYAO BRAND AND DELIVERING HIGH QUALITY PRODUCTS





### 3.1 / Quality Culture

In strict compliance with laws and regulations including the Product Quality Law of the People's Republic of China, Fuyao Group takes various measures and spares no effort to ensure the quality and safety of its products, protect consumers' rights and interests, and justify its high regulatory compliance performance, quality certificate from certifying authority and universal recognition of customers. The Company breached no rules and regulations in 31 consecutive years with 100% of products passing the inspections and sampling tests of all levels of authorities.

**The products of Fuyao Group have been certified by China CCC, US, Europe, Japan, Korea, Brazil, South Africa, Indonesia, Australia, Russia, Taiwan, etc. and well accepted and used by world's top automotive manufacturers and major plants.**

Supplier Awards	GM	Global Supplier Award, Outstanding Quality Award, High Quality Supplier Award and Green Supply Chain Partner
	Volvo	Excellent Supplier Award
	Ford	World Excellent Supplier Award
	JLR	Best Supplier Gold Award

The Company puts great premium on training employees on required basic knowledge and skills, including pre-job education, hands-on training, apprentice training, and qualification verification, in forms of morning assembly and quiz, etc., to raise employees' quality awareness. The Company carries out lean management activities to acquaint employees with tools such as 5S (Seiri, Seiton, Seiso, Seiketsu and Shitsuke), 7 tools and quality statistical technology to strengthen quality management over employees. The Company improves comprehensive project management to realize the harmonious development of quality, cost, profits and staff growth.

### 3.2 / Quality Management Mechanism

#### ● Control measures

Adhering to the philosophy of “thriving on quality”, Fuyao Group has implemented a full life cycle control from “product design and development” to “manufacturing and after-sale services”, so as to ensure effective control of products at all stages and thus stable product quality. The Company has also formulated Fuyao internal system and product technical standards stricter than national and industrial criteria according to the IATF16949, ISO14001 and OHSAS18001 system as well as standards of its clients from China, Europe, US, Japan and Korea etc., and taken stringent quality control measures as per these standards to ensure safe and high quality products and services for consumers.

#### ● Quality check

To ensure strict compliance with and full implementation of quality standards and improve production quality, Fuyao Group has established a set of processing and quality discipline check mechanisms, set up cross-departmental multi-functional matrix to conduct regular processing check through Management by wandering around by leaders at different levels and departments, and effectively improve and eliminate quality anomalies by quality statistical summary, analysis, appraisal and correction of quality data, so as to ensure the effectuation of Company's quality management mechanism.

### 3.3 / Ensuring Customer Satisfaction

In order to guarantee the complaints of quality problems can be solved efficiently and timely as well as to improve customer satisfaction, Fuyao Group formulated relevant provisions such as the Provisions for Customer Complaints according to laws and regulations including the Law of the People's Republic of China on Protection of Consumer Rights and Interests. Sound after-sale services, quality information feedback procedures and customer complaints management framework have also been set up so that customer complaints can be passed efficiently among responsible departments of its subsidiaries and timely settled. The Company furnished the E-mail [fyqm@fuyaoigroup.com](mailto:fyqm@fuyaoigroup.com) to take customer complaints about quality and built a nation-wide sales services network to actively respond to the appeals of consumers and customers within 24 hours, with the goal of providing timely and high quality services. The Group has also set up database that is accessible at different stages of new projects, so as to prevent re-occurrence of quality issues inside the Company and mitigate product quality risks.

In terms of customer complaints, the Company adheres to the "1-3-7 principle" as per the Provisions for Customer Complaints and the information feedback mechanism, which is: within 1 working day upon receiving complaint, contact with customer should be initiated to get the whole frame of the situation, then an emergency plan should be attached; within 3 working day upon receiving complaint, a preliminary findings including validated provisional measures should be provided; within 7 working day upon receiving complaint, an official survey report including the statement of current progress and rectification directions from now on should be provided. If the customer has specific requirement regarding response time, the Company should adjust the plan timely as required by the customers to meet their needs and improve their satisfaction.

### 3.4 / Regulating Intellectual Property Rights Management

In strict compliance with relevant policies and provisions, Fuyao Group has made active efforts in intellectual property right work and obtained recognitions from the state and governments: obtained the title of "Patent Work Communication Station" by the State Intellectual Property Office in 2008; stood out as the only finalist for 2013 National Patent Pilot Site Enterprise of the province; ranked among the First Batch of National Intellectual Property Right Model Enterprise in 2013 and passed the review in 2016 and; obtained 3 China Patent Excellence Awards and a number of provincial and municipal patent related awards.

To protect customers' rights and interests and ensure that all products they buy are quality and genuine, Fuyao Group has made every endeavor to crack down Fuyao glass counterfeits under the support of relevant authorities such as the Public Security Bureau, Industrial and Commercial Administration and Technical Supervision Bureau, and purified the automotive glass market substantially.

In sync with its continuous after-sale market counterfeit combat and market purification, the Company also formulated management policies to standardize distribution stores and brands, so as to provide more high quality and safe services for consumers, establish an industry benchmark in respect of after-sale glass installation quality, and show its resolve to undertake social responsibilities.

# UPHOLDING HUMAN-ORIENTATION SPIRIT AND DRIVING EMPLOYEE DEVELOPMENT

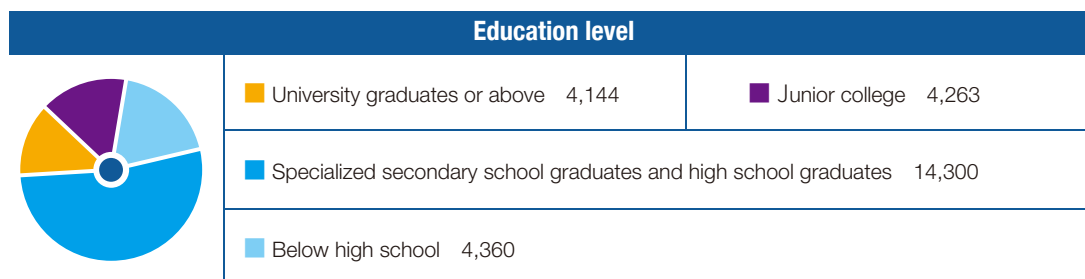
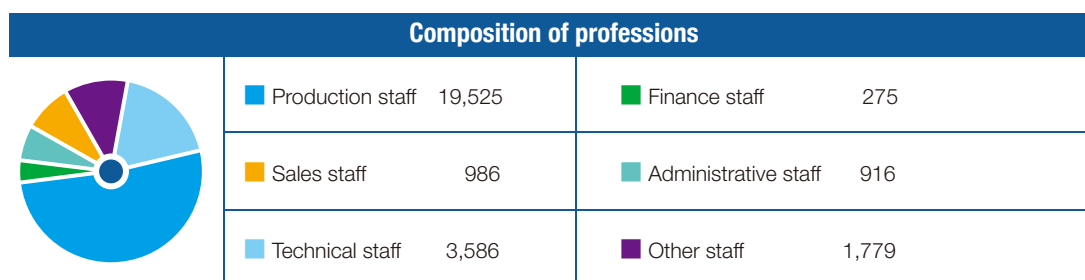


## 4.1 / Building Diversified Team

The Company gives full expression to the guideline of “human-orientation” and puts it into practice in respect of production and operation, staff training, work safety, remuneration & benefits and payment of “five social insurances and one housing fund”, etc. as well as its care for the life, health, safety and professional development of its employees in an all-encompassing and multi-dimensional manner.

In strict conformity with applicable laws and regulations including the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China, Fuyao Group formulated the Recruitment Management Policy in order to regulate the recruiting procedures, improve talent selection mechanism, protect staff rights and interests, and safeguard employees' human rights and privacy. The labor contract is duly signed according to the relevant laws and regulations and legitimate rights and interests are safeguarded based on the principles of “equality, fairness, integrity”.

**Total number of in-service employees 27,067**



## 4.2 / Protecting Employees' Rights and Interests

### ● Labor standards

Fuyao Group tolerates no child labor or forced labor in strict compliance with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and the Provisions on Prohibition of Using Child Labor. In strict compliance with the provision of “Only those aged over 18 years old are considered legitimate candidates” set out in its Recruitment Management

Policy, Fuyao Group recruits no child laborers aged below minimum age prescribed by local regulations. The Company's Management Measures for Safeguarding Employees' Human Rights specifies that all the Company's policies and provisions shall not include implication of forced labor and forbids forced labor, contract labor, physical punishment, custody or threat of violence in any form.

### ● Equal opportunities

Measures for Safeguarding Employees' Human Rights, all departments, organizations and individuals shall abide by national and local regulations and allow no biases against any employee based on elements such as race, sex, color, age, family background, national tradition, religion, physical status, and national origin, so as to ensure that employees are treated fairly in every aspect such as recruitment, duty performing, remuneration, training, promotion, and compensation.

### ● Remuneration and benefits

In line with the principle of "Fairness, competition, motivation, economy and compliance with law", Fuyao Group formulated the Remuneration Management Policy, Employee Performance Management Regulations and Benefit Management Policy, and set up compensation mechanism where monthly fixed pay and annual performance are linked. A competitive payment is provided to its staff by fair and reasonable salary management and incentive mechanism. Remuneration of employees of Fuyao Group is mainly composed of various pay including basic salaries, merit pay, bonuses, subsidies and allowance; salaries are adjusted in a timely manner in accordance with the Company's results, employees' performance, seniority and the work attitude. In addition, the Company strictly implements state laws and regulations and pays medical insurance fund, public pension fund, unemployment insurance fund, work-related injury insurance, public maternity insurance fund and housing provident fund on time and in full. Other benefits include meal allowances, working lunch, high-temperature subsidies and middle/night shift subsidies etc.

### ● Democratic management

Fuyao Group respects the workers' right to freely associate and collectively negotiate, and allows the workers to freely organize or join in trade unions. Giving full play to the role of trade unions and focusing on protection of employee interests, the Group has well established the workers' congress systems and proposal policies to safeguard the employees' rights of democratic decision-making, democratic management and democratic supervision. Fuyao Group sticks to the workers congress system to secure the legitimate rights and interests of employees. The Company seeks employees' opinions on issues related to their interests such as remuneration & benefits, collective contracts and ration adjustment and encourages them to make reasonable and legitimate appeals, engage in corporate governance, and strengthen sense of ownership. As stipulated in the Company's Management Measures for Safeguarding Employees' Human Rights, employees have the right to organize and participate in trade unions and collectively bargain in accordance with law. If collective bargaining is restricted by law, employees can communicate with management representatives through staff representatives or in written manner; The Company shall ensure that employee representatives maintain extensive connections and communications on items of negotiations with the workers under any working environment, respect the reports, recommendations and proposals presented by employee representatives and tolerate no retaliation or discrimination.

### ● Holidays and working hours

In strict compliance with applicable local labor laws and regulations where it operates such as the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Employment Promotion Law of the Peoples Republic of China and the Employment Ordinance, Fuyao Group formulated the Employee Attendance and Holiday Management Policy to fully implement national working hour mechanism, and arrange staff production and rest in a well-planned manner.



## 4.3 / Creating a Safe Environment

Fuyao is committed to creating a safe, comfortable and wonderful working environment adhering the concept of Safety First. To guarantee employees' occupational health and safety, the Group commits itself to providing a safe working environment and equipment and ensuring work safety. The Company set up the EHS department under the Office of the Chairman to monitor and offer guidance to its subsidiaries on the establishment of the EHS management system so as to fulfill the Company's basic commitment in respect of environment and occupational health and safety protection.

### Case : Batch type furnaces ("BT") modification of Zhengzhou Automotive Glass for noise reduction purpose

**Background:** Since the noise from BT moulding machines cannot be eliminated at the sound source, we reduced noise in the transmission process. We use sound-insulating mufflers to build sound-proof walls around the BT moulding machines to prevent the sound from propagating directly outward, so as to reduce noise. The investments amounted to RMB 1.96 million.

**Project result:** The noise of glass tempering dropped from 92 decibels to less than 50 decibels. Therefore, the pollution to environment and damage to employees' health have been reduced.



**BT Moulding Soundproof Room**

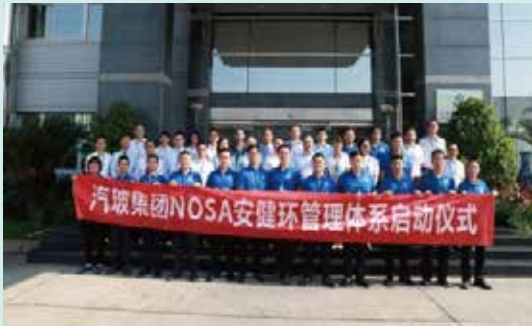


### ● Improving the safety system

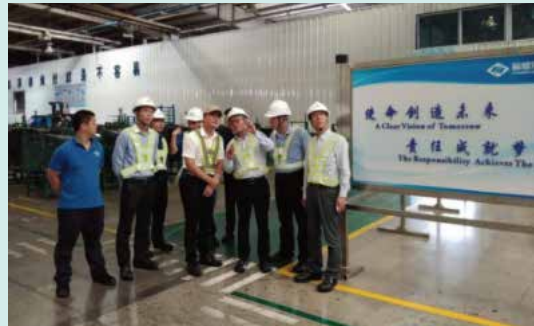
To delegate the responsibility of ensuring production safety of employees of all departments, strengthen safe production management and promote safe production, Fuyao Group formulated the Safe Production Accountability Management Policy according to the Regulations on Safe Production, which designates the General Manager as the person in charge who has overall responsibility for the safe production management of Company's subsidiaries; general managers of subsidiaries should establish safety management departments and clarify safety responsibilities of all departments and staff. The Company requires its subsidiaries to set up safe production management organizations or assign dedicated safety personnel commensurate to sizes.

#### Case: Introduction of NOSA environment, health and safety ("EHS") management system

In July 2018, the Group introduced the NOSA EHS Management System. Relying upon the NOSA's EHS risk management and control experience accumulated in the past 60 years featuring professionalism and internationalism, as well as the counselling and guidance experience with more than 300 domestic customer enterprises, we have established an EHS comprehensive risk management and control system in full consideration of characteristics of Fuyao Group with the least delay possible, providing a solid foundation for Fuyao Group's safe and stable operation in the long run, and offering practical experience and management methods to Fuyao Group's EHS management innovation, thus completely avoiding accidents.



Picture of participants at NOSA EHS System Launching Ceremony



NOSA team was conducting on-site researches



NOSA counsellors were providing on-site guidance

## ● Organizing safety campaign and education

Fuyao Group has formulated the Safety Education and Training Management Regulation to implement the three-level education and training, skills training of safety responsible personnel and safety management personnel, and certification of special operations personnel and special equipment operators so that employees can receive necessary pre-job safety education. Besides, the Company intensifies Group-wide safety campaign and education by various daily display boards and organizes regular technical safety quiz and skill contests to create a safety oriented culture.

### Case : Summary of the Group's annual safety work

In December 2018, Guangzhou Automotive Glass held a meeting to summarize the safety work of the Group in 2018 and deployed the safety work in 2019. In the meeting, deputy general managers of each company summarized the safety work in 2018 and the Group proposed the goals and deployment for safety work in 2019. In this summing-up meeting, participants were also sent to visit Toyota Motor to learn about safety management. The visit was followed by the "Safe Behavior Observation" training.



Deputy General Manager of Guangzhou Automotive Glass debriefing the work summary report

### Case : Safe Production Month

In June 2018, in order to create a safe and healthy working environment in accordance with the Chairman's concept of "Safety First", the Group planned a safety improvement project, that was to carry out "Safe Production Month" activities across the Group, including safety contest, safety speech, safety drill and safety lecture. The Group carried out more than 100 activities and received more than 40 safety article submissions.

**1. The Group designed a signature wall of "Production Safety Red Line" while it carried out promotion, training and signing activities across the Group to ensure the staff are familiar and comply with the Company's safety red line.**





## Case : Safe Production Month

2. The Group also organized the “Training for the Safety Improvement Campaign of Automotive Glass Group”. Deputy general managers, engineering managers and safety supervisors of each subsidiary participated in the training.



The launching ceremony of safety improvement project



Principle members of the improvement project were attending the training



US Fuyao Safety Manager was giving a lecture



Trainees were presenting in groups



Trainees were observing and learning in the Skill Training Centre

### ● Minding fire safety

The Company works hard to ensure the fire safety and safe production in places where many people work and prevent fire from occurring. To improve staff responding ability in case of emergency, and elevate their skills of aiding themselves and other people, subsidiaries of Fuyao Group arrange various emergency drills regularly, such as fire drills and chemical leak drills. Professional departments (such as local fire brigade) are invited to provide on-site guidance.

#### Case : Fire drill

To ensure fire safety during winter and the spring festival, Fuyao Decoration Company organized a winter fire drill.



### ● Reinforcing occupational health management

Fuyao Group formulated the Occupational Health and Safety Management Policy according to the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, Measures for the Administration of Occupational Health Surveillance. It attaches great importance to occupational disease prevention of construction projects and specifies items including occupational hazard assessment, occupational hazard notification, occupational health education and training, management of workplace exposed to occupational hazards and occupational health physical tests etc., so as to prevent, control and eliminate occupational hazards and safeguard staff physical health.

To show its care for its employees and the corporate culture of "human-orientation", the Company has made active efforts in the implementation of the state's Measures for the Administration of Occupational Health Surveillance and requirements for medical institutions providing occupational health examinations and offers a free physical tests for employees serving more than 6 months, with the aim to prevent occupational diseases.

## 4.4 / Driving Employee Development

Fuyao Group regards human resources as the primary resource of the corporate and has formulated a series of management measures for employee education and training including the Training Management Regulation and Management Regulation for the Construction of Talent Team, which regulate the Company's training management, intensify training efforts, and promote employees' development.



## ● Diversified training

Fuyao Group customizes continuous education and trainings for its employees and endeavors to improve the competency and abilities of all levels of employees on an ongoing basis. In education and training planning and implementation, the Company pays attention to various training needs of junior staff, leaders and administrative staff, technical personnel and line management staff as well as the evolving needs of Fuyao Group, and invites in-house or external trainers to offer six categories of customized training sessions, i.e. orientation training, operation training, professional training, administration training, comprehensive training and mandatory training to employees of different levels and types in forms of lectures, on-site operation, seminars, case study, role play, simulation-based trainings and outdoor trainings. The Company also provides employees with opportunities of receiving international trainings and on-the-job advanced education so as to build a sound diversified staff training system, encourage more employees' involvement, and eventually achieve better training results.

Junior employees	The Company helped staff to master required basic knowledge and skills, carried out on-the-job education to obtain advanced degree, upgraded the working practice bases, put theories into practical use, and carried out training programs on an ongoing basis.
Leaders and administrative personnel	<p>The Company sent leaders and administrative personnel to foreign "Industry 4.0" model enterprises for study and exchange of ideas, so as to help them widen horizon and get more insights into patterns, administrative mindset and methodologies;</p> <p>The Company arranged mindset training for senior management, enabling leaders and administrative personnel to renew their understanding of their roles, missions and faith in the new era;</p> <p>The Company continues to provide customized training programs to new administrative personnel and carry out coaching and practicing for employees to be promoted for filling their knowledge gaps so that they can be competent for future duty performing.</p>
Technical and line management personnel	The Company conducts innovative management through continuous reinforcement of the learning and practicing of the TRIZ (Theory of Inventive Problem Solving), DOE (Design of Experiment) and the Taguchi method as well as promotion of design and research results; efforts have also been made to continuously improve the six sigma yellow/green belt programs and the QCC (Quality Control Circles) program, etc. to increase the overall rate of finished products.

## ● Talent team construction

To develop and foster more talents for the Company and build a successive talent team, the Company has formulated the Management Regulation for the Construction of Talent Team, which requires implementing count and review of talents as well as laying down talent team construction goal and cultivation plans; in order to promote the parallel development of corporate strategies and employee needs, and to ensure the openness, fairness, justness and efficiency of talent development and use, Fuyao Group has established the Management Regulation for Employee Career Development, which stipulates the career development channels and corresponding evaluation criterion for managerial, technical, functional and operational positions to help the employees define their career orientation and offer development opportunities to more employees with potential.

## ● Cross-subsidiary exchange

As the Group is hastening its pace of going global, the Group now owns 17 overseas subsidiaries and has invested and established manufacturing plants in US, Germany and Russia, etc. In order to promote the experience sharing and idea integration within the Company, it arranged outstanding managers, business backbones or professional technicians to provide technical support and experience sharing for overseas subsidiaries, and regularly organizes overseas employees to visit and exchange experience with outstanding domestic subsidiaries.

## 4.5 / Staff Care

On the basis of highlighting the scientific and humanized management of employees, Fuyao Group attaches great importance to strengthen employees' team work and sense of belonging. The Company advocates the common development of the enterprise and employees, strives to provide employees with good working conditions, healthy living environment and expansive development space, creates an environment suitable for "learning, working, living and developing" and organizes various activities to strengthen the physical and mental health of employees. For example:

1

The Company regularly arranges employee physical examinations and offers paid annual leave, food allowance, high temperature subsidies, etc.

2

The Company provides good accommodation conditions for employees. For instance, staff dormitories are equipped with air conditioners and the living quarters are equipped with staff canteens, etc.

3

The Company has various types of mass associations, including the football association, the basketball association, the table tennis association, the badminton association, and the outdoor walking association. The Company opened an on-line community information sharing platform over the enterprise WeChat account, where the community application channels are open, the associations regularly recruit members and actively organize various events and activities to enrich the staff's leisure life.

4

In the living area, there are basketball courts, tennis courts, badminton courts, billiard parlors, table tennis rooms, chess and card rooms, gymnasiums, libraries with hundreds of thousands of books and electronic reading rooms. This has created a happy and comfortable living environment to encourage staff to balance their work and life.

5

The Company regularly holds various festival galas such as garden parties, employee games and Spring Festival gala to enrich the culture life of employees.

6

The Company communicates with local government departments to help the employees solve the schooling problems of their children.



Fuyao Group always regards every employee as its own child. In order to better take care of every "child", the Company set up a beneficent fund in 2013 and built a corporate love platform to help families in extreme economic problems result from emergencies.

In 2018, the Company's beneficent funds expenditure amounted to RMB **266,000**.

## COOPERATING WITH SUPPLIERS AND SEEKING COMMON DEVELOPMENT



As the “Intelligent Manufacturing and Globalization” strategy unfolds, Fuyao Group attaches great importance to establishing long-term cooperative relationships with suppliers, distributors and other partners, so as to provide support in terms of technology, management and personnel to jointly create a value chain system with international competitiveness and influence. The Group has been staying true to the vision of “Maintaining prominence of Fuyao supply chain management system and creating values for customers in a sustainable manner” and constructing efficient, energy saving, safe and healthy supply chain management system by promoting intensive, standard and lean procurement. The Company has also formulated supplier management policies based on supplier selection and management mechanism, so as to promote the fulfillment of corporate social responsibilities in the upstream and downstream of the industrial chain and enhance positive impact on society and environment of the industrial chain.

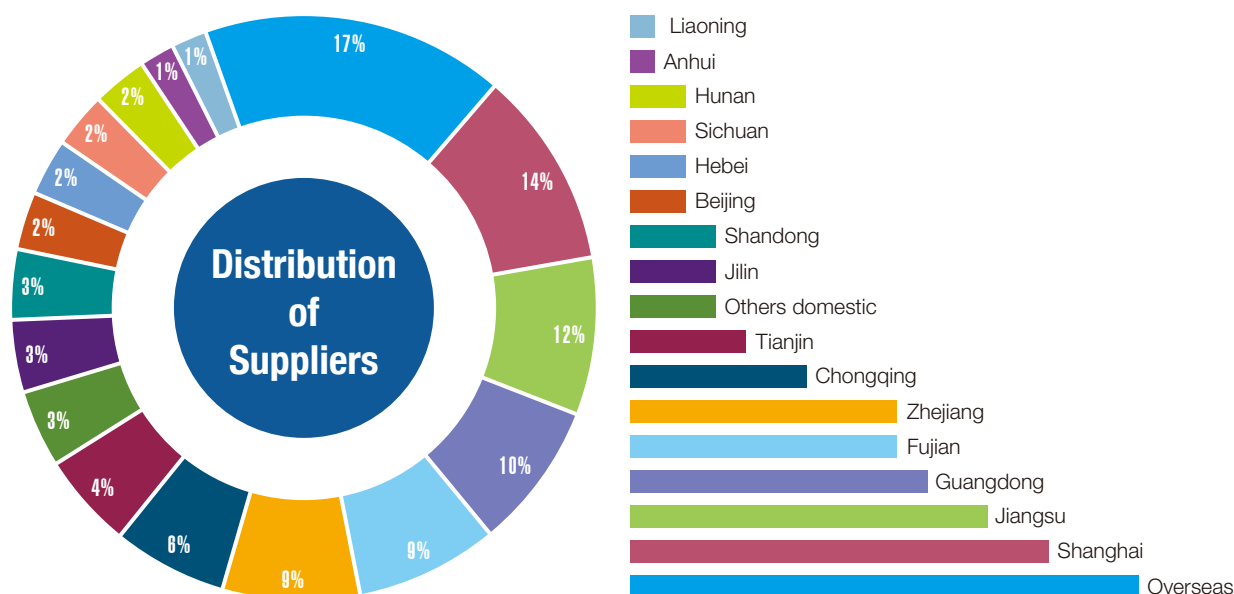
## 5.1 / Suppliers Selection

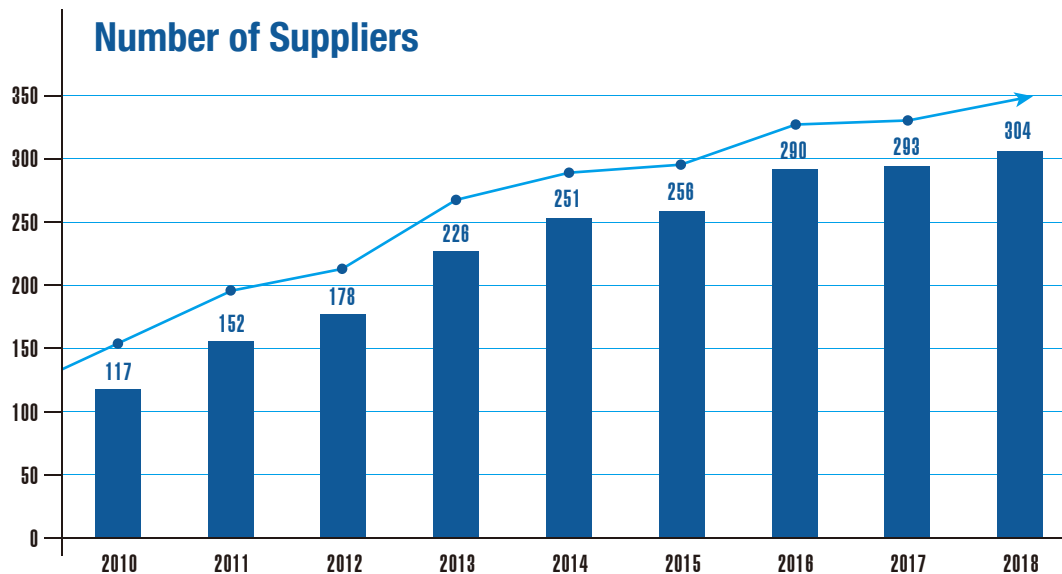
The Group has adopted procedures for assessing potential suppliers at home and abroad based on product quality, price, ability to deliver products on time and technical capabilities. We have established procurement departments in our Russian and American subsidiaries to purchase raw materials for overseas production from local suppliers using the same supply management system as the Group has adopted. The Group will conduct regular site visits to suppliers' production base in accordance with the ISO/TS16949 quality system. A one-year purchase contract is usually entered into with major suppliers.

## 2018

The Group's top five suppliers accounted for **15.78%** of the Group's purchases.

While the Group's largest supplier accounted for **3.65%** of the purchases.





## 5.2 / Suppliers Management

Fuyao Group has formulated the Supplier Management Handbook, promoted it to suppliers and set up the item of “Environment and Safety” as a bonus point in annual supplier performance appraisal with the goal of encouraging suppliers to establish the ISO14001 Environmental Management System and the OHSAS18001 Occupational Health and Safety Management Systems. In supplier evaluation, the Company places equal emphasis on suppliers’ fulfillment of corporate social responsibilities, improvement of Group supply chain competitiveness and their efforts in sustainable development.

In the coming years, Fuyao Group will channel resources to its signature intelligent supply platform which features “Innovation, Coordination, Win-win, Open, Green”, so as to achieve globalized supply chain management and supply resource sharing, give play to the industrial cluster effect of win-win and synergy, and create Fuyao end-to-end global supply chain value business ecosystem.

Fuyao Group has established modern production bases in a dozen provinces and cities in China, as well as America, Russia and Germany, and has established 4 design centers in China, America and Germany. A firm and sustainable partnership with suppliers is one of the key secrets of Fuyao’s market competitiveness. Based on manufacturing bases, we actively cultivate suppliers with global supply capacity, and promote reasonable distribution and optimization in supply resources. Fuyao, as the world’s largest automotive glass supplier, was to shoulder more responsibilities and nobler missions and hoped to translate this sense of mission into vigor in collaboration with suppliers. The Supply Chain Management Department of Fuyao Group puts more emphasis on the establishment of supply chain system, supply chain strategy and core strategic supplier cultivation in the process of transformation, actualization of a more streamlined and decentralized administration, execution of cleanness and integrity supervision, and improvement of supply chain efficiency and efficacy, and encourage suppliers to exchange ideas with Fuyao about offering better technical solutions, quicker services and products of higher quality and more competitive prices.

Fuyao Group introduces environmental and social risk policies to its suppliers via various channels and ways, such as delivering the governing philosophy of “Undertaking social responsibilities, executing protection provided by law, avoiding pollution and damage to environment and promoting harmonious development of human and the nature” by signing supply agreements with suppliers.





# CREATING A BEAUTIFUL ENVIRONMENT AND ACHIEVING HARMONIOUS COEXISTENCE



## 6.1 / Green Operations

### ● Environmental management concept

Adhering to the social concept of putting equal premium on Company profitability and environmental protection and following the Scientific Development Concept, Fuyao Group has made vigorous efforts in building effective long-term environmental protection and energy conservation mechanism with the aim to construct a resource efficient, environment-friendly and harmonious society. The Company upholds the environmental protection guideline of “Promoting environmental protection, complying with regulations, encouraging clean production, and making continuous improvements” and the green concept of “Building a resource conserving and environment-friendly company”, practices energy conservation and emission reduction and observes “One Enhancement”, “Two Observations” and “Seven Proactivenesses” for the duration of production from raw material selection, manufacturing processes to new product development.

“One Enhancement”, “Two Observations” and “Seven Proactivenesses”	
<b>One Enhancement:</b>	To enhance environmental awareness constantly.
<b>Two Observations:</b>	(1) To observe environment protection laws and regulations strictly, and minimize the negative impacts of production and operation activities upon environment as a law-abiding enterprise; (2) To observe the internal supervision and examination, and fully implement all measures and targets regarding environmental protection.
<b>Seven Proactivenesses:</b>	(1) To be proactive on strengthening operation and management of green facilities to guarantee compliance with pollutant discharge standards; (2) To be proactive on reducing the emission concentration; (3) To be proactive on controlling pollutant discharge from fountainhead by increasing investment in environmental protection, accelerating infrastructure construction, and importing advanced production technology; (4) To be proactive on tightening clean production audit, executing technological transformation, promoting clean production, and eliminating outdated heavily-polluting technologies, facilities and products; (5) To be proactive on new technology invention to solve environmental issues and increase reclaimed water reuse rate while exploring new approaches to energy conservation with comprehensive utilization of resources; (6) To be proactive on development of environmental risk emergency plans to respond to environmental accidents; (7) To be proactive on organizing campaign, implementation and training on environmental protection, energy conservation and recycle economy, and launching environmental protection, energy conservation and emission reduction activities across the Group.

### ● Environmental protection goals

Efforts have been made by the Company to implement environmental impact assessment and the Three Simultaneities policy, channel capital into green projects, monitor the stable operation of environmental infrastructure, develop the circular economy, enhance efficiency of cyclical use of water, recover and use waste heat, promote energy conservation and emission reduction, ensure appropriate emission of “three wastes” and accomplish key emission objectives assigned by the government. The Company implements the ISO14001 environmental management systems and reinforces clean production audit aiming for zero occurrence of environmental accidents.

In 2018, in strict compliance with environmental protection laws and regulations, the Company achieved the objectives by discharging major pollutants pursuant to standards, cutting down total emissions and maintaining an eligible solid waste disposal rate of 100%. During the reporting period, no environmental accidents above mentioned took place Group-wide, realizing zero occurrence of environmental accidents.

## ● Environmental management system

The Company puts great premium on environmental protection and has set up the EHS ("Environment, Health and Safety") department under the Office of the President, which is responsible for setting up the EHS system of Fuyao Group and supervising subsidiaries' establishment of such system. All subsidiaries set up an environment and safety management organization to be responsible for the management of respective environment and safety work; departments/factories of subsidiaries designate environment and safety personnel to be responsible for departments/factories' environment and safety.



The Company implements the ISO14001 environmental management systems to enhance its environmental management level. All subsidiaries of the Company have obtained the certification for environmental management systems.

**Fujian Wanda Automotive Glass Industry Co., Ltd.  
Fuyao Group (Shanghai) Automotive Glass Co., Ltd.  
Environmental Management System Certificate**



## 6.2 / Green Products

### ● Lightweight glass

Fuyao Group has developed a 0.7mm thick reinforced ultra-thin chemical tempered glass to replace the traditional 2.1mm thick soda lime glass, which cuts the overall thickness of laminated glass down to within 3.5mm, thus reducing the weight of glass by 30%. The new product can satisfy the demand of customers for lighter vehicles, effectively reduce fuel consumption and alleviate the "mileage anxiety" of electric vehicles.



**Better shock resistance and higher safety.** Compared with traditional soda lime glass, the lightweight glass features higher tensile strength and toughness and better impact resistance. Experiments have shown that the lightweight glass can withstand static pressure of above 1,000N, equivalent to bearing the weight of two adults at the same time.

**Better optical quality.** Since the degree of sub-image shift is proportional to the thickness of the glass, thick glass is more likely to cause ghosting, especially when using the HUD head-up display function, the display area is limited to avoid ghosting. So the thinner lightweight glass is created, which means not only widened HUD display area but also higher image quality.

### ● Coated glass

Coated glass is produced by forming a nano-grade silver and metal oxide film on the inner side of the glass and thus features excellent thermal insulation effect. Due to the conductivity of the metal film layer, the glass is also helpful for uniform heating over the whole glass surface.



### ● Coated insulating glass

Fuyao Low-E coated glass, produced using the magnetron vacuum sputtering technology, is coated with 9~20 layers of 50-300nm thick silver and metal oxide film on the inner side, and can block up to 85% of infrared rays, thus achieving excellent thermal insulation effect.



It's especially useful in summer to reduce the use of air conditioner while bringing about higher comfortableness. After prolonged exposure to the sun, the temperature inside a coated glass car will be 7-8 °C lower than that of a non-coated one. In winter, with its excellent insulation property, the glass can effectively reduce the heat dissipation of the car and create a warm space that is well-isolated from the cold atmosphere.

### ● Coated heating glass

The metal film layer of coated glass can also serve as a conductive medium to achieve a uniform heating effect over the entire surface. During the wet plum-rain season, coated heating glass can clear away the fogging on car windows rapidly to give back a clear view to the driver and guarantee traffic safety.



In winter, people in North China are always bothered by the thick frost on their car windows which takes a long time to defrost with traditional air conditioners. But with the coated glass, the whole process becomes so efficient and energy-saving that it only needs to press down the button and the frost will vanish in a few seconds.

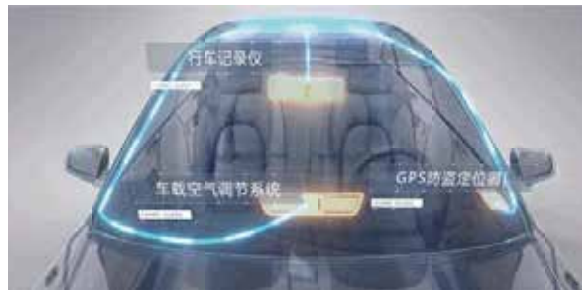
### ● Solar glass

Solar glass is produced by installing a solar cell chip in the sunroof glass, which can trigger the photovoltaic effect when the sun shines on the glass, then the solar energy is converted into electric energy and stored in the vehicle battery to power on-board devices.

The solar sunroof can work all the time even when the engine is off, so that the ventilation system can keep running to let in fresh air and let out the hot air inside the car, thus reducing in-car temperature, avoiding release of harmful gases by interior parts under high temperatures, prolonging the service life of interiors and guaranteeing human health.

Fuyao solar sunroof can generate electricity at a rate of 150W per square meter. In addition to the ventilation system, the electricity thus generated can also be used for powering the Internet of Vehicles, the driving recorder and the GPS anti-theft locator.

With the advancement of processes, Fuyao has realized installing solar cells in the sunroof glass without compromising the transparency of the glass. The use of transparent amorphous silicon material instead of opaque CIGS material guarantees the optical performance of the sunroof glass.



## 6.3 / Green Production

### ● Sewage management

Upholding the environmental protection guideline of “Promoting environmental protection, complying with regulations, encouraging clean production, and making continuous improvements”, Fuyao Group has made vigorous efforts to carry out emission reduction activities, such as to reinforce operation and management of green facilities to ensure compliance with pollutant discharge standards; involve itself intensively in reducing the emission concentration; to introduce advanced process, reinforce technological transformation, promote clean production to reduce discharge of pollutants as well as waste gas and waste water produced in the Company’s operational activities, so that the efforts made by the Company to stringently discharge its responsibility of sustainable development can be shown.

#### 1. Waste gas and water emissions management

In compliance with various applicable laws and regulations including the Environmental Protection law of the People's Republic of China, the Atmospheric Pollution Prevention and Control Law of the People's Republic of China and the Water Pollution Prevention and Control Law of the People's Republic of China, Fuyao Group formulated the Environmental Protection Management Policy which stipulates that all subsidiaries shall ensure standard discharge of pollutants, avoid illegal emissions and formulate plans on monitoring emissions of major pollutants annually to facilitate Group’s monitoring over subsidiaries’ emissions in a real-time and accurate manner. Besides, all subsidiaries shall strictly comply with relevant regulations, and shall install waste vents and put up signs in accordance with relevant requirements to facilitate sampling, monitoring and public supervision, so that the Company’s commitment to proper waste discharge, fulfillment of environmental responsibilities and welcoming public supervision can be shown.

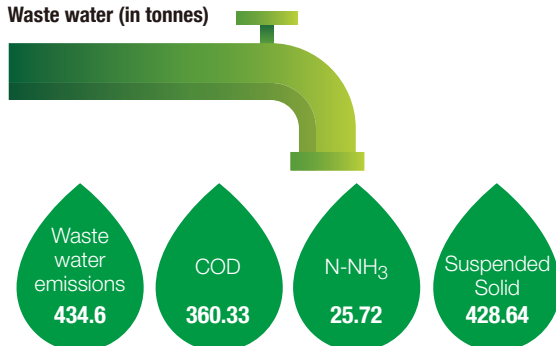


## A1.1

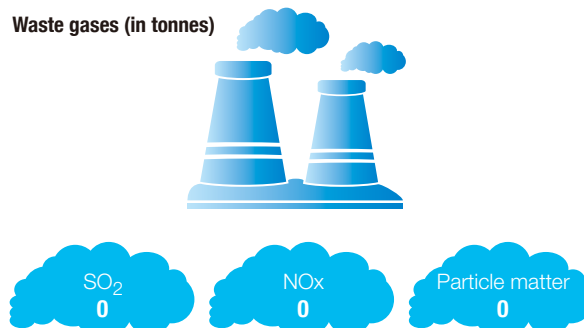
Shown below are types of emission and respective emissions data of Fuyao Group for the reporting period:

### Automotive glass

Waste water (in tonnes)

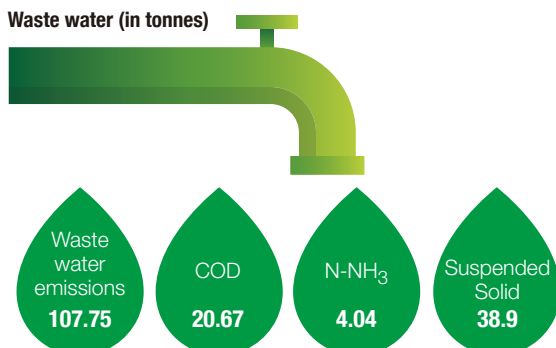


Waste gases (in tonnes)

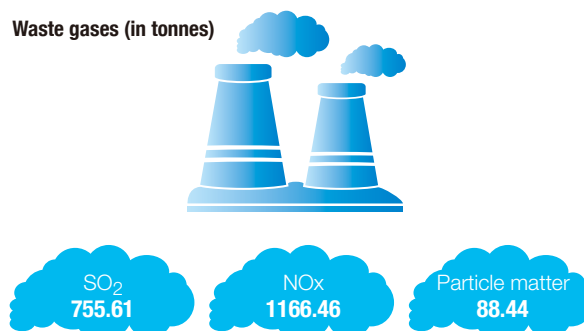


### Float glass

Waste water (in tonnes)



Waste gases (in tonnes)



## 2. Emission management and control measures

### Regulate waste vents

Pursuant to the requirements of the Technical Requirements of Regulating and Renovating Waste Vents (Trial) (Huanjian [1996] No.470), the Notice on Implementing the Regulation and Renovation of Waste Vents (Huanjian [1999] No.24) and other related regulations, Fuyao Group requires all subsidiaries to regulate the installation of waste vents, and set up signs at exhaust air vents, sewage outlets, major noise sources and hazardous waste storage sites according to relevant requirements which show the names of waste disposal agencies, as well as the type, number and major pollutants of waste vents, etc.

#### •Monitoring measures

To conduct real-time monitoring on pollutants emissions of its subsidiaries in a continuous, effective and accurate manner, the Group formulated the Environmental Protection Management Policy which requires all subsidiaries to develop annual monitoring plans on major pollutant emissions. During the reporting period, all green facilities of Fuyao's subsidiaries were kept in stable operation and subject to periodic maintenance. Ledgers were established to help control standardized pollutant discharge.

In active response to national and local call for environmental protection, online monitoring devices have been equipped at waste water outlets of several subsidiaries, which enabled data sharing with provincial, municipal and county-level environmental authorities and real-time supervision by the society.

In 2018, subsidiaries of Fuyao Group managed and discharged waste water and waste gases in compliance with regulatory rules and standards, as reflected in the test reports on source of pollution from local environmental inspection departments and internal regular test results.

#### Case : Online non-methane hydrocarbon monitoring equipment installed at Fuqing Automotive Glass Factories

**Background:** In 2018, Fuqing Automotive Glass Factories No. 2 and No. 6 each had a set of TY-VOC500 (FID) online non-methane hydrocarbon monitoring equipment installed on site with an investment of RMB 5.8 million. On December 10, 2018, the equipment was connected to the EPA platform to upload data thereto every 5 minutes, thus enabling real-time data monitoring via computers or mobile APP.

**Project result:** Facilitating environmental authorities' real-time monitoring to ensure up-to-standard discharge.

Online monitoring equipment



### 3. Waste and emission reduction measures

Fuyao Group requires all subsidiaries to fully implement clean production and take effective emission reduction measures when new projects or technological transformation are launched, such as to exploit non-hazardous materials, process and facilities with high resource efficiency and minimum pollutant discharge, adopt comprehensive utilization and cyclical use of waste, waste water, and waste heat from glass production, and perform periodic clean production audit so as to actualize "Conserving energy, reducing consumption, lowering emissions and enhancing efficiency". As of the end of 2018, all the domestic affiliates under operational control passed the clean production audit.

#### •Waste gas treatment

Efforts have been made by the Company to increase investment in waste gas emission monitoring and accelerate infrastructure construction, which have come to fruition. To reinforce exhaust pollution treatments, VOCs (volatile organic compounds) from deep processing of printing and drying are treated in purification equipment to reduce the exhaust emission and as test result shows, the Company discharges VOCs in line with the national and local standards of atmospheric pollutants; Exhaust air from canteens will be processed at various purification equipment at exhaust air vents which guarantee over 90% of disposal efficiency.

### Waste water treatment

To reinforce water pollution treatment, the Company requires all subsidiaries to equip a reclaimed water recycle system so the waste water from glass production can be disposed. The Group has invested RMB 120 million to build 30 sets of waste water treatment facilities, which put 11 million tons of water into recycle every year. Besides, the Company requests that facilities be better maintained and kept in healthy operation to effectively bring down waste water discharge and avoid impacts of production waste water upon environment.

In 2018, all subsidiaries of Fuyao Group fulfilled the pollutant mitigation tasks assigned by local environmental protection authority through making vigorous efforts to lower the total pollutant emission volume and managing to meet the reduction target.

#### Case : Activated carbon waste gas treatment unit set up in the printing rooms at Zhengzhou Automotive Glass

**Background:** VOC organic waste gas is a type of polluting waste gas composed of volatile organic compounds (VOCs). VOCs include all the carbon compounds that can take part in the atmospheric photochemistry except for CO, CO<sub>2</sub>, H<sub>2</sub>CO<sub>3</sub>, metal carbides, metal carbonates and ammonium carbonate. VOC organic waste gas is hazardous to human health. The accumulated exposure to it will cause damage to the brain and nervous system. The printing process in our printing rooms needs to use materials like inks, xylenes, etc., which will vaporize and form a VOC organic waste gas in the surrounding air. If discharged directly, the gas will not only pollute the environment, but also bring harm to employees' health. So, we upgraded the original activated carbon waste gas treatment unit.

**Project result:** We have invested RMB 500,000 in the upgrading of activated carbon adsorption unit. Activated carbon of high adsorption performance has been used, which can effectively adsorb harmful substances such as benzene and xylene in organic waste gas to ensure the discharged gas meets the national environmental protection standards, improve the environment inside the printing room and protect the health of employees.



Activated carbon adsorption unit

#### Case : Waste gas treatment unit set up for the printing rooms and driers at Shenyang Automotive Glass

**Background:** Eight UV photolysis + activated carbon adsorption units were installed, three for the printing room of the laminated glass factory and five for the GT printing room of the tempered glass factory, to treat the waste gas so that it can be partly discharged and partly reused. Driers of the two factories were also each provided with a set of UV photolysis + activated carbon adsorption unit to treat the waste gas and discharge the treated gas directly from the side window of the roof. The total investment of the project was RMB 800,000.

**Project result:** The units guaranteed compliance with discharge standards, reduced the concentration of organic gas in the printing rooms, improved the operating environment for employees, and ensured occupational health.

#### 4. Greenhouse gas emission management

Fuyao Group's greenhouse gases mainly include Scope I: Direct emissions and Scope II: Energy indirect emissions. Direct emissions are attributed to energy consumption from production activities and emissions from material decomposition in manufacturing processes. Energy indirect emissions are attributed to purchased electricity. Given the fact that the Company's greenhouse gas emissions result principally from energy indirect consumption, it has taken energy conservation measures such as to generate power from waste heat, recycle waste heat, increase power factor, and apply water-cooled air conditioners and energy efficient lights to mitigate greenhouse gas emissions.

##### A1.2

Shown below are greenhouse gas emissions and intensity of Fuyao Group for the reporting period:

#### Automotive glass



Scope I: Direct emissions (in tonnes of CO <sub>2</sub> equivalent)	<b>8,325.74</b>
Scope II: Energy indirect emissions (in tonnes of CO <sub>2</sub> equivalent)	<b>957,075.25</b>
Total emissions (in tonnes of CO <sub>2</sub> equivalent)	<b>622,823.64</b>
Emission intensity	<b>0.0087</b> tonne of CO <sub>2</sub> equivalent/sq.m. of product

#### Float glass



Scope I: Direct emissions (in tonnes of CO <sub>2</sub> equivalent)	<b>614,497.9</b>
Scope II: Energy indirect emissions (in tonnes of CO <sub>2</sub> equivalent)	<b>180,234.32</b>
Total emissions (in tonnes of CO <sub>2</sub> equivalent)	<b>1,137,309.57</b>
Emission intensity	<b>0.75</b> tonne of CO <sub>2</sub> equivalent/tonne of product

## 5. Hazardous and non-hazardous waste management

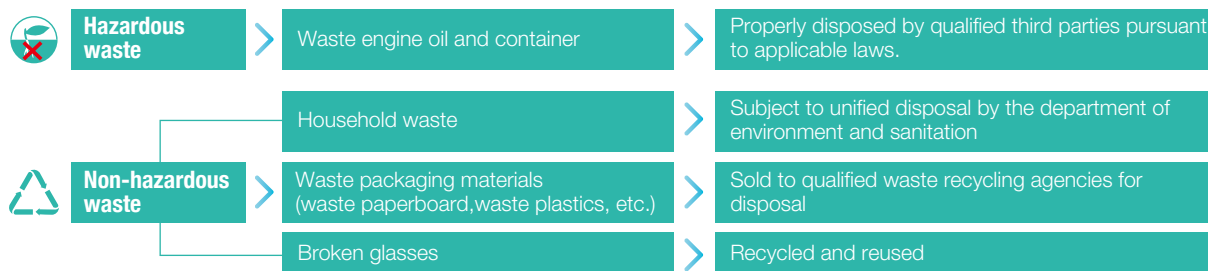
In strict compliance with the Administrative Regulations on Hazardous Waste, all subsidiaries of Fuyao Group have carried out hazardous waste management to meet regulatory requirements and have been equipped with independent hazardous waste storage with standardized construction. The Group requires its subsidiaries to sort out and store hazardous waste by categories, regulate storage sites and signs, and entrust hazardous waste disposal to qualified units.

In 2018, non-hazardous industrial solid waste and hazardous waste were subject to safe disposal or comprehensive utilization, realizing a disposal rate of 100%.



### Waste disposal

#### Float glass



#### Automotive glass





**A1.3 & A1.4**

Shown below are hazardous and non-hazardous waste emissions and intensity of Fuyao Group for the reporting period:



### Automotive glass

Hazardous waste emissions (in tonnes)	<b>437.88</b>
Hazardous waste emission intensity	<b>0.0394</b> tonne/10,000 sq.m. of product
Non-hazardous waste emissions (in tonnes)	<b>20,0475.72</b>
Emission intensity	<b>18.06</b> tonnes/10,000 sq.m. of product



### Float glass

Hazardous waste emissions (in tonnes)	<b>51.52</b>
Hazardous waste emission intensity	<b>0.484</b> tonne/10,000 tonnes of product
Non-hazardous waste emissions (in tonnes)	<b>1,793.56</b>
Emission intensity	<b>16.86</b> tonnes/10,000 tonnes of product

## ● Use of Resources

In strict compliance with laws and regulations including the Energy Conservation Law of the People's Republic of China and the Water Law of the People's Republic of China, and adhering to the principles of corporate environment responsibility, environmental sustainability, reducing energy consumption, increasing competitiveness, saving energy for the nation and reducing cost for the Company, Fuyao Group requires its subsidiaries to conform to the Environmental Protection Management Policy of the Group, implement comprehensive utilization and cyclical use of waste, waste water and waste heat from glass production.

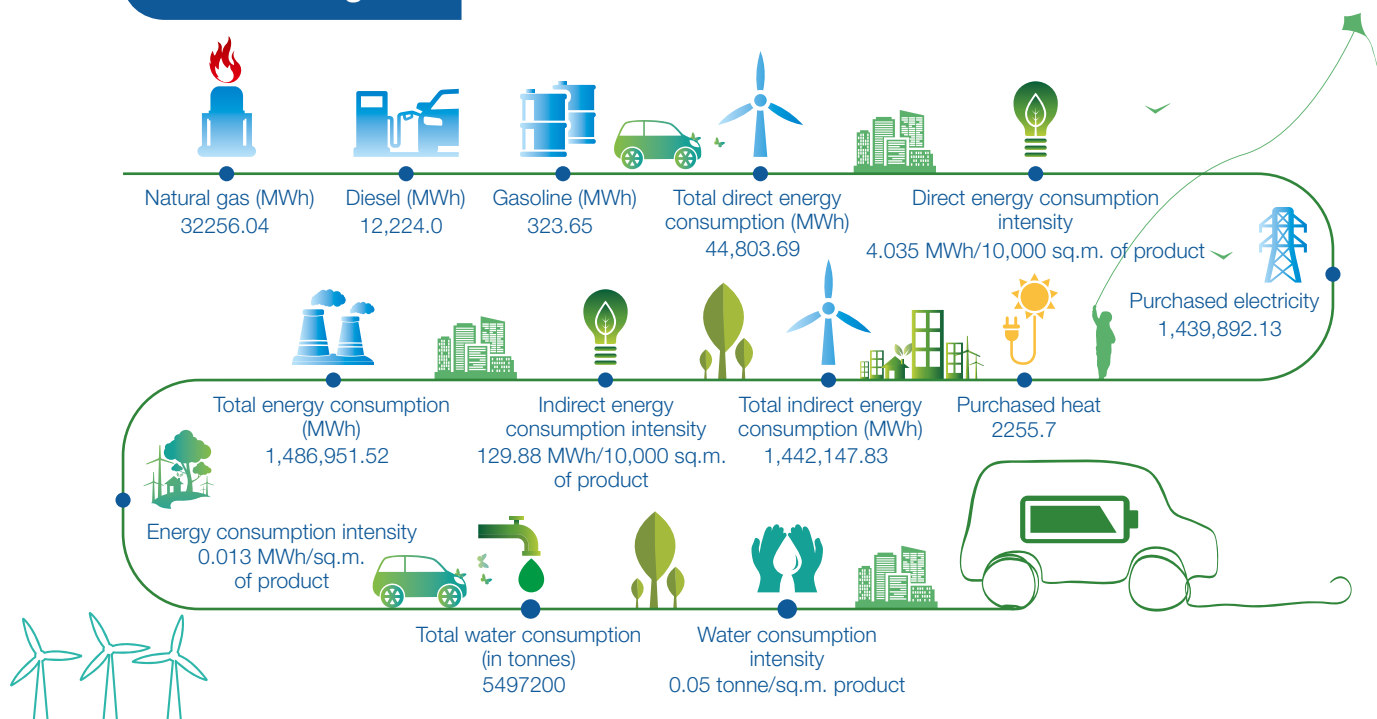
During the reporting period, subsidiaries of Fuyao Group fully implemented energy conservation and environmental protection by executing clean production audit, carrying out technological transformation, promoting clean production according to the professional proposal, and exploiting their potentials for energy conservation in the aspects of new technology, new material, and new process.

In terms of using other raw materials, the Company adopted clean energy production measures when new projects or technology upgrade were undergoing. Processes and equipment of higher resource efficiency and less pollutions were adopted to reduce raw materials consumption.

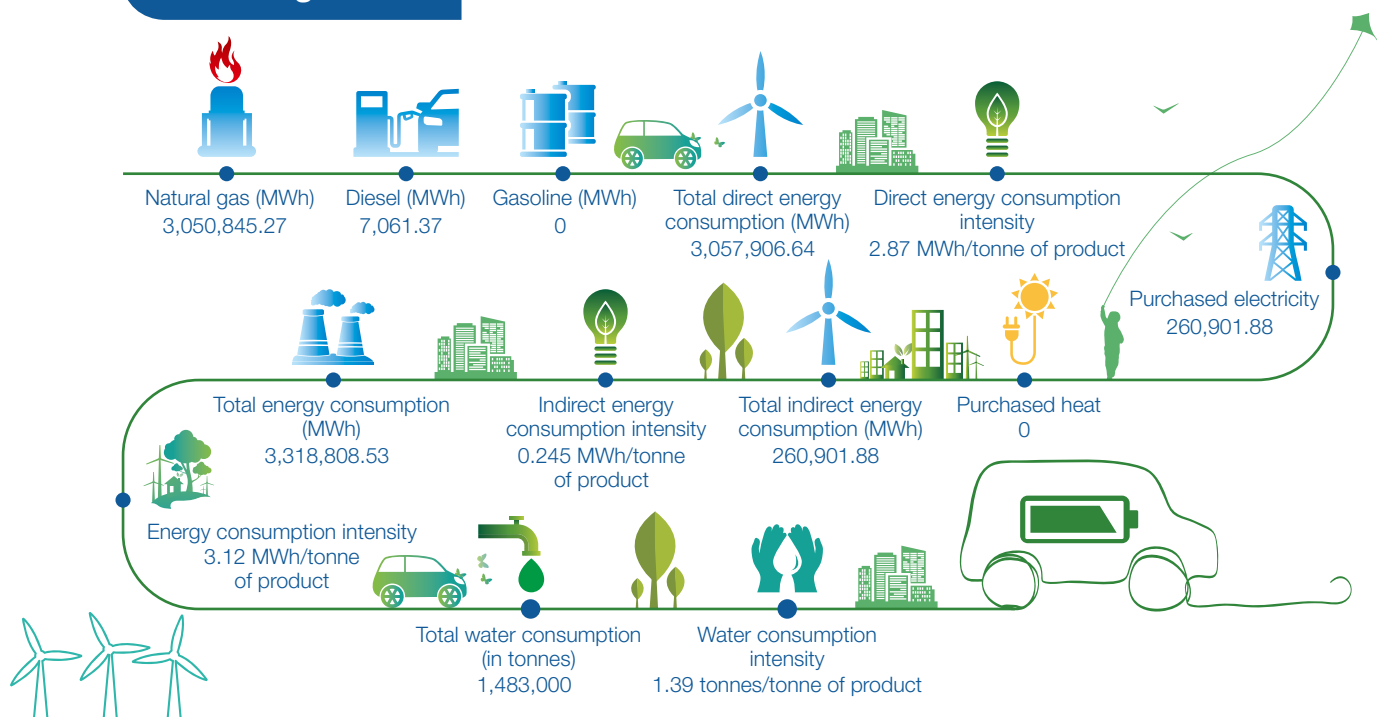
## A2.1

Shown below are direct/indirect energy consumption and intensity of Fuyao Group for the reporting period:

## Automotive glass



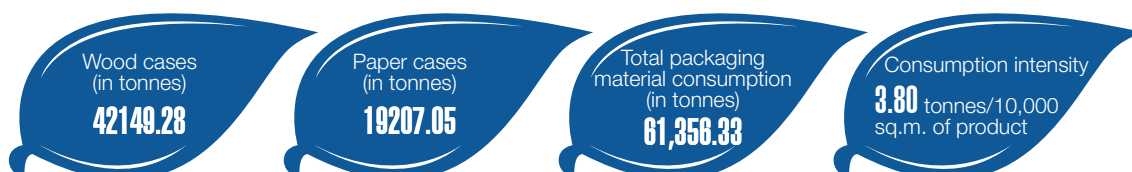
## Float glass



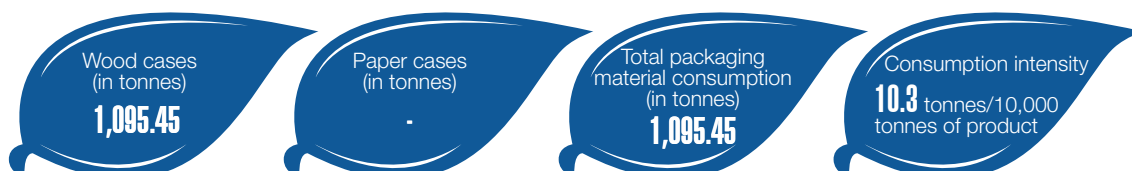
**A2.5**

Shown below are packaging materials consumption and intensity of Fuyao Group for the reporting period:

### Automotive glass



### Float glass



#### Case 1 : Upgraded BT furnace cooling fan at Fuqing Automotive Glass for energy-saving purpose

**Background:** In 2018, Fuqing Automotive Glass Factory No. 4 carried out process optimization by reducing the frequency of BT furnace cooling fan from the 50HZ to 40HZ and providing a further scrubbing-cooling step, so as to reduce the electricity consumption of the fan.

**Project result:** Lower electricity consumption, which generates an extra profit of RMB 155,600 per year.

#### Case 2 : Unit consumption of deionized water reduced at Fuqing Automotive Glass

**Background:** In 2018, Fuqing Automotive Glass Factory No. 3 upgraded the bent washer of the laminating factory by adopting a pneumatic valve control design for the original direct-passing deionized water pipe, which realized the sprinkling of deionized water in reaction to glass production, increased the adaptiveness to the production needs and reduced the unit consumption of deionized water. The investment of the project amounted to RMB 3,000.

**Project result:** Reduced deionized water consumption, which generates an extra profit of RMB 167,000 per year.

**Case 3 : Automated automotive glass accessories installation and detection equipment at Shanghai Automotive Glass**

**Background:** Equipment for accessories installation and product testing was upgraded and strengthened. Existing production equipment was automated, and automatic detection equipment was introduced. The upgrading and reconstruction mainly included: (1) introducing automatic accessories installation equipment; (2) modifying the original equipment connections among different processes, and adding conveyor belts and mechanical arms to make it possible to combine multiple lines into one or dividing one line into two or more automatically; (3) introducing automatic testing equipment; (4) modifying the size of the original processing section to adapt to the dimensions of different products and improve product quality; (5) introducing automatic equipment to replace the old one.

**Project result:** 1. Higher automation rate of the equipment and production efficiency; 2. Less waste water discharge by 2,025t/a.

**Case 4 : Upgraded BT furnace cooling fan at Hubei Automotive Glass for energy-saving purpose**

**Background:** A JNF2D8 series cooling fan was installed to replace the traditional high-pressure fan, greatly improving of the fan efficiency. When kept at 87% of the full-load flow, the fan can achieve the maximum efficiency. The high structural strength performance together with the impeller made of the 460 material ensured the stability and safety of the JNF2D8-9.4D fan. The new fan also features a wide working range and high-efficiency range and an even performance curve. When kept at 33% to 100% of the full-load flow, the fan keeps increasing its pressure; while at 33% to 85%, the fan keeps its efficiency steadily over 70%. Total investment: 4 sets of energy-saving fans totalling RMB 825,000.

**Project result:** Before the modification, maintaining a wind pressure of 3,241mmVC required a tempering speed of 1,400RPM and a current intensity of 332A. After the modification, the same wind pressure can be maintained at 1,350RPM and 300A, or a wind pressure of 3,500mmVC can be maintained at 1,400RPM and 329A. When held the glass, wind pressure and product constant, the current intensity of the fan was reduced by about 29A, thus helping save energy by 8.7%.

**Case 5 : Improvement measures to reduce carbon emission at Fuqing Float Plant**

**Background:** In 2016, Fuqing Float Plant of Fuyao Glass Industry Group Co., Ltd. began to actively participate in the carbon emission trading in Fujian Province. After the exploration of carbon trading in 2016, it conducted cold repair upgrading on two furnaces in 2017, which improved thermal efficiency of the furnaces, reduced the unit consumption of natural gas, and cut down the comprehensive energy consumption per unit of product.

**Project result:** According to the carbon emission report, Fuqing Float Plant of Fuyao Glass Industry Group Co., Ltd. left a carbon footprint of 389.69tCO<sub>2</sub>/10,000 weight cases of product in 2018, which represented a significant decline by 29.27% as compared to the 550.71tCO<sub>2</sub>/10,000 weight cases of product in 2017.

# PROMOTING COMMUNITY DEVELOPMENT AND CONTRIBUTING TO PUBLIC WELFARE





Under the guidance of Core Cultural System of Fuyao Group and in accordance with the core corporate concept of “self-development while benefiting the world”, Fuyao Group has always been creating values for shareholders and wealth for customers; meanwhile, engaging in public services, caring for the lives of vulnerable groups and people in difficulties and earnestly fulfilling its social responsibility in order to promote the advancement and harmonious development of communities, business and the regional economy.

## 7.1 / Public Welfare Undertakings

As the founder and chairman of Fuyao Group, Mr. Cho Tak Wong adheres to the Chinese business culture of “Benevolence and Benefits”. On the one hand, he actively offers advice and suggestions to promote the improvement of national competitiveness, and on the other hand, he is committed to social welfare undertakings.


Since 1983, Mr. Cho Tak Wong has continuously donated to the society, which has benefited countless victims and poverty-stricken families and helped many impoverished undergraduates complete their studies and enter the workforce. In addition, Mr. Cho Tak Wong is also a promoter of charity legislation. During the drought in the five provinces of Southwest China in 2010, he donated RMB 200 million to 100,000 affected families, and signed a “donation accountability” agreement with the donation agencies to realize independent supervision and ensure that the funds were accurately issued. This approach created a brand new model for the development of charity in China. In 2011, Mr. Cho Tak Wong founded the Heren Charitable Foundation by donating his 300 million shares of Fuyao Glass Industry Group Co. Ltd., setting a pioneering example in financing, self-supporting, operation mode and management rules for Chinese foundations. In 2016, China’s Charity Law was promulgated, and “equity donations” and “compensation liabilities” were written into the regulations.

The donation by Fuyao Group and Mr. Cho Tak Wong has now aggregated to RMB 11 billion for disaster relief, poverty elimination, financial aid for students, education and cultural undertaking etc. He believes that “Charity is the third way of social distribution. Its ultimate goal is to promote harmonious development of society.” During his service as a member of the 12th National Committee of the Chinese People’s Political Consultative Conference, Mr. Cho Tak Wong, for the improvement of the country’s comprehensive competitiveness, actively promoted suggestions regarding a series of issues including wetland protection, food security and taxation systems as well as the survival of small and micro enterprises, which embodied his contribution to China’s better and faster development without any reservations and won him high praise from the Party, the state and the whole society.

In 2018, Fuyao Group and its subsidiaries involved themselves intensively in community construction as usual practice and took part in all sorts of community activities and services. RMB 1.75 million was donated for public undertakings, including: RMB 266,000 for critical care of staff and their immediate family members in the form of beneficent funds; RMB 150,000 to Longlou Education Charity Association of Wenchang city, Hainan Province, to support rural education; RMB 200,000 to American Heart Association; RMB 100,000 to Education Awards Foundation of Jiading District, Shanghai; and RMB 100,000 to the “Zhengzhou Charity Day” event to help the needy.



In 2018, Heren Charitable Foundation, established via 300 million shares of Fuyao Glass Industry Group Co. Ltd. held by Mr. Cho Tak Wong, made a donation of RMB 249.45 million in total, in which RMB 117.662 million was for targeted poverty alleviation, including:

-  RMB 20 million to Chongqing Productivity Development Center for the Intellectual poverty alleviation program in Chongqing;
-  RMB 10 million to Dingxi city, Gansu Province, for the establishment of “Cho Tak Wong Encouragement Scholarship” program;
-  RMB 10 million to Fuzhou Poverty Alleviation and Development Foundation to support the ecological poverty alleviation project through comprehensive treatment of water loss and soil erosion in Dingxi city;
-  RMB 4 million to the Department of Education of Xinjiang Uygur Autonomous Region for the purchase of water purification equipment for 80 primary and middle schools in the poverty-stricken areas in southern Xinjiang to resolve the issue of healthy water for teachers and students;
-  RMB 3,992,000 to Guyuan city, Ningxia Autonomous Region for the purchase of dictionaries for impoverished students of the city and winterizing staff for the poor households across five county-level cities;
-  RMB 300,000 to Fujian Province Federation of Returned Overseas Chinese and Fujian Southeast Industrial Technology Development Institute for the educational aid programs in Fujian Province;
-  RMB 30 million to seven counties, including Hezhang County, Guizhou Province, Hong'an, Changyang and Zhongxiang counties, Hubei Province, and Yongtai, Pingnan and Changting counties, Fujian Province, to jointly launch the “Inter-village Help” campaign with the United Front Work Department of CPC Central Committee and promote the “Save a batch of people from poverty by developing production” projects;
-  RMB 18.8 million to several universities for the establishment of scholarships and bursaries to assist impoverished undergraduates to finish their courses, including RMB 7.7 million, RMB 6 million, RMB 2 million, RMB 1.6 million and RMB 1.5 million to Xiamen University, Nanjing University, Fujian Medical University, Fujian Agriculture and Forestry University and Northwest A&F University respectively;
-  RMB 3 million to Fuzhou Population Welfare Foundation to support impoverished students and support households under planned parenthood suffering serious illness and other adversities;
-  RMB 12.5 million to Fujian Provincial People's Government for the multi-layered subsidy in addition to basic medical insurances for registered poor households;
-  RMB 2 million to Fujian Provincial Foundation for Disabled Persons for the “Comfortable Housing for the Disabled” program in Nanping city, Fujian Province;
-  RMB 2 million for Fuqing Charity Federation to provide relief for persons in Fuqing including “orphans, elderly people of no family, those who have lost family members and self-reliance ability, senior Party members, veteran specialists, aged teachers, veterans and old models” ;
-  RMB 1.07 million for other sporadic medical assistance and targeted poverty alleviation research projects.

## Summary of targeted poverty alleviation work in 2018

Unit: RMB 10,000

Items	Details
I. General information	
Including:	
1. Fund	11,766.20
2. Value of materials	0
3. Number of registered poverty-stricken individuals benefited	120,598
II. Itemized input	
1. Poverty alleviation through industrial development	
Including:	<input checked="" type="checkbox"/> Poverty alleviation through agriculture and forestry <input type="checkbox"/> Poverty alleviation through tourism <input type="checkbox"/> Poverty alleviation through E-commerce <input type="checkbox"/> Poverty alleviation through assets income <input type="checkbox"/> Poverty alleviation through technology <input type="checkbox"/> Others
1.1 Ways of poverty alleviation through industrial development	
1.2 Number of projects to alleviate poverty through industrial development	98
1.3 Investment in projects to alleviate poverty through industrial development	5,000
1.4 Number of registered poverty-stricken individuals benefited	72,478
2. Poverty alleviation through transfer employment	
3. Poverty alleviation through relocation	
4. Poverty alleviation through education	
Including:	
4.1 Investment in supporting impoverished students	3,309.20
4.2 Number of impoverished students benefited	42,700
5. Poverty alleviation through healthcare	
Including:	
5.1 Investment in medical and health resources in poverty-stricken areas	1,757
6. Poverty alleviation through ecological protection	
Including:	<input checked="" type="checkbox"/> Conduct ecological protection and construction <input type="checkbox"/> Establish ecological protection compensation system <input type="checkbox"/> Set up ecological public welfare positions <input type="checkbox"/> Others
6.1 Title of projects	
6.2 Amount of investment	1,000
7. Minimum livelihood guarantee	
Including:	
7.1 Investment in helping the "Three Left-behind" (three kinds of left-behind people, including children, women and elderly people)	500
7.2 Number of "Three Left-behind" individuals benefited	5,320
7.3 Investment in helping impoverished disabled people	200
7.4 Number of impoverished disabled people benefited	100
8. Social poverty alleviation	

Note: The above data represent the targeted poverty alleviation performance of Heren Charitable Foundation, which is an independent charitable foundation established via 300 million shares of Fuyao Glass Industry Group Co. Ltd. held by Mr. Cho Tak Wong and operates in accordance with the laws of China and its articles of association. Mr. Cho Tak Wong and his associates (including Fujian Yaohua Industrial Village Development Co., Ltd., Sanyi Development Limited, and Homekiu Overseas Holdings Limited) don't have any control over the Foundation, nor are they beneficiaries of the Foundation. Based on the above, Heren Charitable Foundation is independent from Mr. Cho Tak Wong and his associates.

## 7.2 / Job Creation

Fuyao Group has factories in many provinces across the country, and the Group's subsidiaries and employees have well fitted into the local communities while contributing economic vigor to these communities. The Company believes that only by close contact with the local and achieving the unity of social and economic benefits can it become an "enterprise of hundred years".

Fuyao Group has established production bases in a dozen provinces and cities in China and hired more than 22,000 employees in China, which plays a certain role in promoting local economic and industrial development. Like the two production bases in Wansheng District, Chongqing, which have been built up relying on Fuyao for manufacturing float glass and automotive glass respectively. The two bases have pushed forward the construction of a new glass material industrial cluster, the optimization of industrial chains and the improvement and growth of Wansheng's glass industry. Another example is Fuyao's project to construct "Smart factories for manufacturing functionalized automotive glass of higher added value", which has been promoted in its factories throughout the country. The project has been reviewed and approved by the Ministry of Industry and Information Technology to be an intelligent manufacturing demonstrative project at the end of 2018, and has become a "Made in China 2025" sample for Chinese manufacturing industry. In the assessment experts group's opinion, Fuyao has completed the construction of intelligent production lines and established a complete information system to achieve horizontal and vertical integration of the whole value chain.

Since 2010, with the implementation of the state's "Going Global" strategy and to meet the needs for globalization, Fuyao has successively set up production bases in Russia, the United States and Germany to expand its businesses into global markets through the all-round "globalisation" of manufacturing, service and sales and help build the "Made in China" reputation in overseas markets.

Fuyao's overseas plants, while providing local car companies with products and technical support and services, have also been actively fitting into the local communities to establish a healthy and sustainable symbiotic relationship with them.

Fuyao America, based in Dayton, Ohio, has been set up and put into operation since 2016 and currently has more than 2,200 employees. In the past two years, Fuyao America has achieved overall profitability, and many local workers have gradually growing from laymen of glass making into technical backbones or making their way to the management. It is now the third largest factory in Dayton and one of the largest employers in this region. Fuyao America has established a staff assistance fund to help employees in need. Meanwhile, it has been fitting in to the community by actively participating in community activities and making donations to local hospitals, public relations agencies, schools and disaster relief agencies. Local media stated that "the arrival of Fuyao has brought the rust zone back to life", as the investment of Fuyao injected new vitality to the surrounding logistics, catering and other industries.

In April 2018, Zhang Qiyue, the Chinese Consul General in New York, visited Fuyao America. She said that Fuyao America provided a "researchable case" for China-US trade, this case showed that only through trade cooperation that the two countries can be mutually benefited.

Darren Noble, a Fuyao America employee, is inspecting the workshop Stephen Orlins, president of the National Committee on United States - China Relations, mentioned Fuyao in an interview with the Global Times in September. He believes that Fuyao's investment in the United States is one of the most memorable things in the past 15 years. "It's exciting to see that Chinese investment drives the development and improvement of local communities."



**Zhang Qiyue's visit to Fuyao America hit the headline of Dayton Daily**



**Darren Noble, a Fuyao America employee, is inspecting the workshop**

## 7.3 / Leading Role

The two standards fill the regulatory gaps in the fields of automotive edge-cladding glass and sliding window glass in China.



On May 11, 2018, the Ministry of Industry and Information Technology issued the Plan for Formulating, Revising and Translating the Second Batch of Industrial Standards in 2018. The two standards regarding "automotive edge-cladding glass" and "automotive sliding window glass assemblies" developed under the lead of Fuyao Group were included in the plan.

The two standards are expected to be finalized in 2019. The formulation of the two standards has not only enhanced the status of Fuyao Group in the industry, but also facilitated the transformation of its technological advantages into market advantages.

Fuyao pushed forward the reclassification of two types of automotive glass by international customs



On October 11, Fuyao Group's two types of multifunctional automotive glass, featuring heating wire and hard plastic edging respectively, were reclassified by the World Customs Organization from glass products into automotive parts products. The reclassification will help China's automotive glass industry get uniform and fair trade treatment around the world and expand channels for exporting domestic goods.

Fuyao intelligent manufacturing technology test site



On November 20, the construction of Fuyao Group Intelligent Center was completed successfully. Covering an area of about 3,000 square meters, the center is a "huge center" integrating an intelligent manufacturing technology experimental zone, a production line experimental zone and a multifunctional laboratory. It's mainly used for the modularization or whole-line R&D of equipment automation and intelligentization technologies as well as the testing of data acquisition and control systems. The establishment of the intelligent center marked an important step of the Group towards the realization of intelligent manufacturing and intelligent factories.



### Structure of Fuyao intelligent manufacturing system



On December 5, Fuyao's project to construct "Smart factories for manufacturing functionalized automotive glass of higher added value" passed the national acceptance. Up to now, Fuyao has completed the construction of intelligent production lines and established a complete information system to achieve horizontal and vertical integration of the whole value chain.

### Miao Wei (second from left) accompanied by Cao Hui (first from left) is checking the advanced functions of Fuyao automotive glass



On December 10, Miao Wei, the Minister of the Ministry of Industry and Information Technology, visited Fuyao Group. After listening to the report on Fuyao's intelligent manufacturing construction, he said that Fuyao's efforts and achievements in intelligent manufacturing were exciting. "Fuyao has done a very impressive job." Miao Wei expressed his encouragement to Fuyao, hoping Fuyao could continue to grow bigger and stronger and contribute to "building a stronger China with 'Made in China'".



# Outlook



## 福耀玻璃工业集团股份有限公司 FUYAO GLASS INDUSTRY GROUP CO., LTD.

In 2018, the global economic growth slowed down amidst upheavals such as volatile world economy, Brexit and Sino-US trade frictions. In the global context, major economies showed signs of weakening recovery, and most countries experienced economic slowdown. Under heavy economic downturn pressure, China's automobile industry recorded its first negative growth in 28 years. Despite such grim market conditions, our Company, in virtue of the concerted efforts of our staff, managed to record growth in its operating results and obtained satisfactory effects, with much greater brand popularity, reputation and influence.

In 2019, risks and uncertainties will continue to loom both at home and abroad and the automobile sector is still likely to be confronted with the risk of negative growth. Despite facing greater challenges ahead, we will, as confident as always, leverage upon our expertise and in-depth understanding of expected changes and proactively respond to any possible crisis via early strategic involvement.

In 2019, the Company will give the leading role to sales, enhancing our market competitiveness by improving market sensitivity and establishing a comprehensive sales management mechanism. We will map out a clear strategic route for product research and development, with a view to creating industry-leading products and thereby establishing differentiated market competitiveness. In addition, we will deepen our reforms, optimize management from details, enhance team building and streamline organizational processes to improve management efficiency and per capita efficiency and in turn create more benefits from management. Opportunities always comes with crises. Fuyao will take full use of the crisis to achieve transformation and become a world-leading glass manufacturer with no efforts spared to sales, technology and management.

While managing to improve efficiency, Fuyao will stay true to its original mission and continue to conserve energy, reduce emissions and protect the environment. It will also monitor, settle and remedy issues of environmental management, improve staff awareness of responsibilities and risks related to environmental protection, and work hard to guide more companies and the society to fulfill social responsibilities. As driven by the eternal power of "Diligence, Simplicity, Learning, Innovation", the Company will actively fulfill various social responsibilities, continue to improve the construction of corporate social responsibility management system, further deepen the practice of the corporate social responsibility concept and constantly improve the corporate social responsibility implementation mechanism, thus eventually achieving the harmonious development of the Company, nature and society.

# Honors

## January 2018

- ★ The automotive glass with compound ultraviolet ray proof, infrared ray proof and water proof functions was awarded "China Automotive Parts - Bodywork Annual Contribution Award" by Auto Business Review
- ★ Cho Tak Wong, Chairman of Fuyao Group, was entitled 2017 "Outstanding Entrepreneur" of Chinese building materials industry by China Building Materials Enterprise Management Association and China Building Materials Daily
- ★ Fuyao Group was selected as one of the 2017 Top 50 Enterprises of Chinese Building Materials Industry by Chinese Manufacturing Enterprises Association
- ★ Fuyao Glass (Hubei) Co., Ltd. was awarded "Excellent Supplier Award" by Chery Automobile
- ★ Tianjin Hongde Auto Glass Co., Ltd. was awarded 2017 "Excellent Supplier Award" by Tianjin FAW

## February 2018

- ★ Fuyao Group was awarded 2017 "Regional Contribution Award" by Toyota Motor
- ★ Fujian Wanda Automobile Glass Industry Co., Ltd. was awarded 2017 Taskforce Award by Shanghai General Motors
- ★ Cho Tak Wong, Chairman of Fuyao Group, was entitled 2014 - 2016 "Enthusiasm for Public Welfare Banian Award of Fuzhou City" by Fuzhou Municipal Government

## March 2018

- ★ Fuyao Glass (Hubei) Co., Ltd. was awarded "Best National Award" by Changhe Automobile
- ★ Chongqing Wansheng Float Glass Co., Ltd. was awarded 2018 "Excellent Quality Award" by SGW, 2017 "Excellent Supplier Award" by Brilliance Shineray Chongqing Automobile Co., Ltd., 2017 "Excellent Supplier Award" by Chongqing Lifan Motors, and "2017 Quality Contribution Award" by Changan Automobile



### April 2018

- ★ Fuyao Group was named one of 2017 “Top 100 Enterprises on Hong Kong Stock Connect Most Concerned by Mainland Institutional Investors” by Yuediaoyan Data Platform and HKEx
- ★ Fuyao Glass (Hubei) Co., Ltd. was awarded “Excellent Supplier Award” by Dongfeng Renault
- ★ Guangzhou Fuyao Glass Co., Ltd. was awarded “Cost Excellence Award” by CAPSA

### May 2018

- ★ Fuyao Group was awarded “2018 Global Outstanding Supplier Gold Award” by Land Rover from the UK
- ★ Fuyao Group was awarded “International Supporting Development Award” in the selection of China's excellent auto parts enterprises held by China Automotive Technology & Research Center
- ★ Fuyao Group (Shanghai) Automobile Glass Co., Ltd. was named as 2018 “Green Supply Chain Partner” by General Motors China.

### June 2018

- ★ Fuyao Group was titled the Fujian Provincial Academician Expert Workstation for 2018-2021 by the Organization Department of Fujian Provincial Committee, the Provincial Association of Science and Technology, the Provincial Department of Finance and the Provincial Department of Science and Technology

### August 2018

- ★ Fuyao Group was nominated as one of the “Top 500 Chinese Private Enterprises in 2018” by the National Federation of Industry and Commerce, ranking 409th
- ★ Cho Tak Wong, Chairman of Fuyao Group, won the “Outstanding Person Award” for outstanding achievements in China's auto industry in honor of the 40th anniversary of reform and opening-up activity held by China Automotive Technology & Research Center, SAE-China and China Automotive news
- ★ Guangzhou Fuyao Glass Co., Ltd. won the “Excellent Logistics Technology Award”



### September 2018

- ★ Cho Tak Wong, Chairman of Fuyao Group was awarded the 10th "China Charity Award" by the Ministry of Civil Affairs for his personal donation
- ★ Cho Tak Wong, Chairman of Fuyao Group, was awarded the 2013 - 2018 "Special Contribution to Glorious Business" award by Fujian Society for Promotion of the Glorious Business
- ★ Fuyao Group won the 2013 - 2018 "Special Contribution to Glorious Business" award from the Fujian Province Glorious Business Promotion Association
- ★ Fuyao Group was awarded the "National Benchmarking Enterprises for Trustworthy Quality" by China Association for Quality Inspection
- ★ Fujian Wanda Automobile Glass Industry Co., Ltd. was awarded 2017 "Outstanding Quality Award" by General Motors

### October 2018

- ★ Cho Tak Wong, Chairman of Fuyao Group, was honored as one of the "100 Outstanding Chinese Private Entrepreneurs in 40 Years of Reform and Opening Up" by the National Federation of Industry and Commerce
- ★ Fuyao Group's "Five Stars and Ten Links" quality management model was nominated for the Third China Quality Award
- ★ Fuyao Group was included in the list of 2018 "Gold Wing Award" for 30 Enterprises on Hong Kong Stock Connect with High Returns on Investment by Securities Times
- ★ Fuyao Group was jointly selected as one of the "Top 100 Fujian Enterprises in 2018" by Fujian Enterprise Alliance, Fujian Daily and Fujian BTNG
- ★ Fujian Wanda Automobile Glass Industry Co., Ltd. was awarded bronze medal of 2017 "Excellent Supplier Quality Performance Award" by Caterpillar and 2018 "Supplier Partner Award" by JCB
- ★ Guangzhou Fuyao Glass Co., Ltd. won the title of "Green Factory" from Guangzhou Municipal Industry and Information Technology Bureau

### November 2018

- ★ Fuyao Glass Chongqing Co., Ltd. was awarded 2018 "Quality Excellence Award" by Volvo
- ★ Fuyao Glass (Hubei) Co., Ltd. was awarded "Quality Contribution Award" by JAC
- ★ Fuyao Group (Shanghai) Automobile Glass Co., Ltd. was named as 2017 "Green Supply Chain Partner" by F.I.A.T. from Italy

### December 2018

- ★ Cho Tak Wong, Chairman of Fuyao Group, was awarded the “2018 Sino-US Relations Outstanding Leadership Award” by the American Chinese Elite Organization Committee of 100
- ★ Cho Tak Wong, Chairman of Fuyao Group, was awarded the “40 Most Influential Entrepreneur of Fujian in 40 Years of Reform and Opening Up” by Fujian Enterprise Alliance and Federation of Industry and Commerce
- ★ Cho Tak Wong, Chairman of Fuyao Group, was entitled 2018 “China Public Welfare Person” by Public Welfare Times
- ★ Fuyao Group was awarded the “Best Shareholder Return Company” by the 2018 Golden Lion Award of Hong Kong-listed Companies sponsored by Sina Finance
- ★ Fuyao Group was included in the “China Auto Enterprise Innovation Anting Index List” as a component part by the Automotive Evaluation and Research Institute

### TOP 10 among the Top 50

- ★ Fuyao Glass (Hubei) Co., Ltd. was awarded 2018 “Excellent Supplier” by GAC Mitsubishi, “Product Development Excellence Award” by Dongfeng Trucks, and 2018 “Excellent Supplier” of Dongfeng Passenger Vehicle
- ★ Fuyao Glass Chongqing Co., Ltd. was awarded 2018 “Excellent Quality Award” by FAW Volkswagen, 2018 “Excellent Supplier” by Changan Ford, 2018 “Excellent Supplier” by Liuzhou Dongfeng Motor, and 2018 “Excellent Supplier” by Chongqing Lifan
- ★ Chongqing Wansheng Fuyao Glass Co., Ltd. was awarded 2018 “Excellent Quality Award” by Changan Automobile
- ★ Guangzhou Fuyao Glass Co., Ltd. was awarded 2018 “Top Ten Supplier Award” by GAC Motor and “Excellent Proposal Award” by GAC Hino
- ★ Zhengzhou Fuyao Glass Co., Ltd. was awarded “Excellent Development Award” by Shaanxi Automobile



## APPENDIX: ESG REPORTING GUIDE INDEX

Aspects	General Disclosure Requirements	Reporting Guide
A1	<b>Emissions:</b> 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 emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NO <sub>x</sub> , SO <sub>x</sub> , and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.	6.1 Green Operations 6.3 Green Production
KPI A1.1	The types of emissions and respective emissions data.	6.3 Green Production
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.3 Green Production
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.3 Green Production
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.3 Green Production
KPI A1.5	Description of measures to mitigate emissions and results achieved.	6.3 Green Production
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	6.3 Green Production
A2	<b>Use of Resources:</b> Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	6.3 Green Production
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	6.3 Green Production
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	6.3 Green Production
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	6.3 Green Production
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	6.3 Green Production
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	6.3 Green Production
A3	<b>The Environment and Natural Resources:</b> Policies on minimising the issuer's significant impact on the environment and natural resources.	6.3 Green Production
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6.2 Green Products

Aspects	General Disclosure Requirements	Reporting Guide
B1	<b>Employment:</b> (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.	4.1 Building Diversified Team 4.2 Protecting Employees' Rights 4.5 Staff Care
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	4.1 Building Diversified Team
B2	<b>Health and Safety:</b> 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.	4.3 Creating a Safe Environment
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	4.3 Creating a Safe Environment
B3	<b>Development and Training:</b> Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	4.4 Driving Employee Development
B4	<b>Labour Standards:</b> 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.	4.2 Protecting Employees' Rights
B5	<b>Supply Chain Management:</b> Policies on managing environmental and social risks of the supply chain.	5.1 Suppliers Selection 5.2 Suppliers Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	5.1 Suppliers Selection 5.2 Suppliers Management
B6	<b>Product Responsibility:</b> 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.	3.1 Quality Culture 3.2 Quality management Mechanism 3.3 Ensuring Customer Satisfaction 3.4 Regulating Intellectual Property Rights Management
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	3.3 Ensuring Customer Satisfaction
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	3.4 Regulating Intellectual Property Rights Management

Aspects	General Disclosure Requirements	Reporting Guide
B7	<b>Anti-corruption:</b> 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.	2.4 Responsible Operation
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.	2.4 Responsible Operation
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	2.4 Responsible Operation
B8	<b>Community Investment:</b> 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.	7.1 Public Welfare Undertakings 7.2 Job Creation
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	7.1 Public Welfare Undertakings
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	7.1 Public Welfare Undertakings



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