



Fuyao Glass Industry Group Co., Ltd. Environmental, Social and Governance Report

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About the Report

The report is the seventh ESG report publicly disclosed by Fuyao Glass Industry Group Co., Ltd. It aims to respond to the expectations of stakeholders and demonstrate Fuyao Glass's concept, management, action and results in ESG and sustainability. The report is approved by the Board of Directors, to warrant 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, 2022 to December 31, 2022. Some content can be traced back to past years or extend to FY2023.

Source of Data

Definitions

For the shorter form of expression, "Fuyao Glass", "the Company", and "we" refer to Fuyao Glass Industry Group Co., Ltd. In this report, "yuan" refers to "RMB" or "Renminbi", unless otherwise stated.

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

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 *GRI Sustainability Reporting Standard* ("GRI Standard") released by *Global Sustainability Standard Board, Guidance on Social Responsibility* (GB/T 36000-2015), *Guidance on Social Responsibility* (GB/T 36000-2015), *Guidance on Social Responsibility Reporting 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. The Report has been compiled in accordance with the reporting principles of HKEx's *ESG Reporting Guide*: **Materiality:** The report discloses stakeholders' engagement and materiality assessment. Refer to "Stakeholder's Engagement" and "Materiality Assessment" in the section of "Responsibility Management" for details. **Quantitative:** The environmentally related data disclosed in the Report are marked with reference standards, calculation methods and parameters.

Consistency: The relevant disclosure and statistical methods of the Report are consistent with those used in prior years.

Availability

Both Chinese and English versions of this report can be viewed on the Company's official website at http:// www.fuyaogroup.com, the official website of cninfo http://www.cninfo.com.cn/new/index 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.

About Fuyao

Company Profile

Fuyao Glass Industry Group Co., Ltd. was incorporated in 1987. The Company listed on the main board of the Shanghai Stock Exchange in 1993 and commenced trading on the Stock Exchange of Hong Kong Limited ("HKEx") in 2015, which formed the "A+H" model involving two capital platforms inside and outside the Chinese mainland.

Fuyao Glass keeps perfecting itself and pursues excellence. From "making automotive glass for Chinese consumers" in the very beginning to "setting standards for the automotive glass suppliers" and now "benefiting the world," it has always borne an innate sense of social responsibility and is committed to giving back to society. Adhering to the core values of diligence, simplicity, learning and innovation, Fuyao Glass takes culture and talent as the entry point. It employs technology and innovation as the driving force to its our best to build sustainable competitive edges and profitability with Fuyao's characteristics. Its goal is to become an exemplar in the industry that earns long-term trust from customers, shareholders, employees, suppliers, government, distributors, and society.

The Company dedicates itself to providing total solutions of safety glass for various transportation vehicles, including the design, production, sales and services related to automotive grade float glass, automotive glass, locomotive glass, luggage racks and window decorations. In addition, it continues to improve the industrial ecological chain from design to service and implement the brand development strategy of technology leadership and rap-

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id response. Thus, it makes R&D, design, manufacturing, distribution, and after-sales service for globalization as the Company's business model, focusing on responding to customer expectations and satisfying customer needs, demonstrating systematic, professional, and prompt service levels, and committing to creating value for customers.Fuyao Glass is a green developing enterprise that bears a strong sense of social responsibility, seeks mutual benefits and win-win results, practices safety and environmental protection, and pursues technological innovation.

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Nº 1





Hiahliahts in 2022 Management Build a Globally Respected Brand

Prioritizing Ouality to Become a Loval Partner to Our Global Customers

Annual Operation

As the most significant domestic automotive glass supplier with high technology level and the largest export volume, Fuyao Glass has 56 subsidiaries, including 38 in China and 18 overseas.With modern production bases established in more than ten provinces and cities including Tianjin, Shanghai, Chongging, Guangdong, Fujian, Jilin, Hubei, Henan, and Inner Mongolia, the Company has formed a whole set of production and sales network systems that runs through all directions in China. At the same time, the Company has accelerated its internationalization pace, setting up subsidiaries and business agencies in the United States, Russia, Japan, South Korea, Germany, and Hong Kong SAR, becoming the largest professional supplier of automotive glass in the world. It has established partnerships with the world's top automobile manufacturers such as Bentley, Mercedes-Benz, BMW, Audi, GM, Toyota, Volkswagen, Ford, and Chrysler, for whom it provides global OEM services and complete solutions for automotive glass. With advanced innovative design, manufacturing, and guality control, it has been recognized and selected by major automobile manufacturers and awarded as a Global Excellent Supplier.

Fuyao Glass Global Presence



In 2022:



Fuyao Glass Domestic Layout

1 🖉

Float Glass

Automotive Glass

8

R&D and Desig

🔠 Business Institution

47.56 billion yuan

the net profit attributable to shareholders of the listed company

4.78 yuan

the social contribution per share



Automotive Accessories

Aluminum Refining



Alluvium Ore Mining

Equipment & Mold Inspection Tools

ESG Performance Responsibility Highlights in 2022 Management

ESG Performance Highlights in 2022

ESG Performance Highlights

Adhering to integrity operation and becoming a world-renowned trustworthy brand

100 of operating sites having conducted business ethics audits or risk assessments

100

of our employees having received training on business ethics.



Prioritizing quality and becoming a loyal partner to our global customers

Average hours of quality training per employee

3.6 hours

86 %

Information security training covering

with average hours of training of

2,044 employees 4.9



The pass rate of the annual customer a year-on-year performance evaluation

increase of

30

407 patents applied

patents granted

Going green and becoming a safeguard of global ecological environment

Winning CDP's Environmental Leadership Award Received EcoVadis Gold Medal in 2022

Installed capacity of

94 MW

renewable energy

assessments

and the power generation capacity of renewable energy

91,936 MWh

accounting for

of our factories

Z 5 major operating sites

conducted environmental risk



tantalum, tungsten, and gold

ESG Performance Responsibility Highlights in 2022 Management Prioritizing Quality to Become a Loyal Partner to Our Global Customers Becoming a Green Pioneer and Conserving the Global Ecology

Company Honor

January 2022

- Chairman Cho Tak Wong was ranked among the Top Ten Spotlight Figures of the Chinese Private Economy for 2021 by *China Business Times.*
- Fuyao Glass's project of the R&D and Industrialization of Automotive Glass Coating Technology won the second prize of the Fujian Provincial Science and Technology Award 2020.

February 2022

• Fuyao Glass (Hubei) Co., Ltd. was ranked among the Top 100 High and New Tech Enterprises in Hubei Province for 2021.

March 2022

 Fuyao Glass (Hubei) Co., Ltd. was selected into the sixth group of Demonstration Enterprises for Power Demand Side Management in the Industrial Area by the Ministry of Industry and Information Technology.

• April 2022

- Chairman Cho Tak Wong was selected as one of Fortune China's 50 Most Influential Business Leaders in China in 2022.
- Lai Wenjian, a process technology expert at Chongqing Wansheng Fuyao Glass Co., Ltd., was awarded the National May 1st Labor Medal 2022 by the All-China Federation of Trade Unions.
- The Digital Innovation Factory of Chongqing Wansheng Fuyao Glass Co., Ltd. was selected into Chongqing's List of Intelligent Empowerment Action Projects 2022.
- Fuyao Glass (Suzhou) Co., Ltd. received the May 1st Labor Award 2022 of Suzhou Federation of Trade Unions.
- Fuyao Glass (Hubei) Co., Ltd. was recognized as a Model Entity of Post-COVID-19 Resumption in Jingmen.

• May 2022

• Vice Chairman Cao Hui was recognized as the Philanthropist of the Year of the 19th (2022) China Charity List of *China Philanthropy Times.*

June 2022

- Vice Chairman Cao Hui was recognized as an Outstanding Contributor to Fujian Province's Non-public Economy by the Fujian Provincial Government.
- Fuyao Glass was selected into the Generous Return List and the Sincere Return List of the A-share-listed Companies' Cash Dividend Lists 2021 released by the China Association for Public Companies.
- The secondary connection workshop of Fuyao Glass Changchun Co., Ltd.'s steel plant was recognized as a Changchun Worker Pioneer of 2022 by the Changchun Federation of Trade Unions.

July 2022

- Fuyao Glass ranked *in Fortune China* 500 2022.
- The coating glass production workshop of Chongqing Wansheng Fuyao Glass Co., Ltd. was recognized as a Chongqing Digital Workshop of 2022 by the Chongqing Commission of Economic and Information.
- Fuyao Automotive Aluminum Parts (Fujian) Co., Ltd. was recognized as a Science and Technology Little Giant Enterprise in Fujian Province in 2022.

August 2022

- Fuyao Glass was selected as one of the Best Managed Companies 2022 by Deloitte.
- Fuyao Glass was included in the first group of Energy Efficiency Pace-Setter benchmark enterprises in Fujian Province's key energy-consuming industries by the Fujian Provincial Department of Industry and Information Technology.
- Benxi Fuyao Float Glass Co., Ltd. was recognized as the Best Private Enterprise for Military-Civilian Mutual Support by the Benxi Office of Municipal Military-Civilian Mutual Support, the Publicity Department of the CPC Benxi Municipal Committee, and the Benxi Municipal Bureau of Veterans Affairs.

September 2022

- Fuyao Glass was recognized as a National Demonstration Enterprise for Harmonious Labor Relations by the Ministry of Human Resources and Social Security and the All-China Federation of Trade Unions.
- Fuyao Glass was ranked among the Top 500 Private Manufacturing Enterprises by the All-China Federation of Industry and Commerce.

- Fuyao Glass was ranked among in *China Automotive News'* Top 100 Global Automotive Parts Producers 2022 and ranked 13th among the Top 100 Chinese Automotive Parts Producers 2022.
- Fuyao Glass (Suzhou) Co., Ltd. was certified as a Provincial Enterprise Technology Center.
- Fuyao Glass (Fujian) Machinery Manufacturing Co., Ltd. was recognized as an Advantageous Enterprise in Intellectual Property Rights in Fujian Province for 2022.

October 2022

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- Fuyao Glass passed the review for the National Intellectual Property Demonstration Enterprise.
- The U-G-S-F Four-in-One Tak Wong Model for Promoting the Renovation of Weak Rural Schools, contributed by Chairman Cho Tak Wong, won the second prize of the Provincial Elementary Education and Instruction Achievement Award 2022 of the Fujian Provincial Department of Education.
- Chongqing Wansheng Fuyao Glass Co., Ltd. was recognized as a National Advantageous Enterprise in Intellectual Property Rights by China National Intellectual Property Administration.
- The laminated glass intelligent production workshop of Fuyao Glass (Suzhou) Co., Ltd. was recognized as a Suzhou Municipal Demonstration Intelligent Workshop for 2022 by the Suzhou Municipal Bureau of Industry and Information Technology.

• November 2022

- Chairman Cho Tak Wong was ranked among as the Social Responsibility Examples of Chinese Private Enterprises for 2022 by the All-China Federation of Industry and Commerce.
- Chairman Cho Tak Wong was recognized as the 5th Model Individual Dedicated to Fire Safety Public Welfare Undertakings of Fujian Province by the Office of the Fujian Provincial Fire Safety Committee.
- Fuyao Glass was selected into the Top 500 Private Enterprises in R&D Investment for 2022 and the Top 500 Private Enterprises in Invention Patents for 2022 released by the All-China Federation of Industry and Commerce.
- Fuyao Glass's key technology R&D and industrialization project for the Fuyao Intelligent Dimmable Automotive Glass won the second prize of the Fujian Science and Technology Advancement Award 2021.

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- Fuyao Glass was recognized as the Outstanding Strategic Partner at BYD NEV Core Supplier Convention 2022.
- Fuyao Glass was selected as one of the Top 100 New Entity Enterprises 2022 released by the China Enterprise Evaluation Association under the Development Research Center of the State Council.

December 2022

- Chairman Cho Tak Wong was recognized as the Most Admired Chinese Entrepreneur by the entrepreneurship leaders in Hurun China Under30s.
- Chairman Cho Tak Wong was recognized as the Leader in Industrial Enterprise Brand Building and Innovation 2022 by *China Industry News*, and Fuyao Glass was recognized as a Demonstration Entity for Industrial Enterprise Brand Building and Innovation 2022.
- Fuyao Glass received the New Energy Utilization Award 2022 from the China General Chamber of Commerce - USA.
- Fuyao Glass's Intelligent Pillar won the Excellence Award in the mass-produced electronic appliances category of the 7th China Auto Parts Industry Awards of *Automotive Business Review*.
- Fuyao Glass was on *Fortune's* 2022 Most Admired Chinese Companies list.
- Fuyao Glass ranked first among the Top 100 Intelligent Manufacturing Rankings in China in 2022 jointly released by Emlyon Business School and National Business Daily.
- Fuyao Glass was ranked 12th among the Top 30 Chinese Auto Industry Parts Manufacturers 2022 released by the China Association of Automotive Manufacturers.
- Fuyao Glass was rated AAA in the Green Development Index (GDI) for Automotive and Parts Enterprises 2022 released by China Automotive Technology & Research Center.
- Fuyao Glass was ranked among the 100 Most Respected Enterprises for 2021-2022 by *The Economic Observer*.
- Fuyao Glass won the Golden Bull Social Responsibility Award 2021 of the 24th Golden Bull Award for Listed Companies of *China Securities Journal*.
- Fuyao Glass was rated 4A in the Performance Evaluation of the Board Secretaries of Listed Companies 2022 of the China Association of Listed Companies.

Responsibility Management

Fuyao Glass prioritizes ESG and has established a framework for ESG management. By identifying material ESG topics and stakeholder concerns, the Company is enhancing its ESG management system and driving its high-quality development.



Prioritizing Ouality to Become a Loval Partner to Our Global Customers

ESG Philosophy

We adhere to the business philosophy of "respecting the heaven and loving people to the end of perfect kindness" proposed by Chairman Cho Tak Wong and maintain a commitment to traditional Chinese values of "Benevolence and Benefits." As we drive business growth, we are dedicated to sharing its benefits with society. In business development, we have integrated social responsibility into corporate operation and management. We continuously optimize our corporate governance structure and improve product quality. We prioritize the well-being of our communities and adopt sustainable practices. In contributing to public welfare, we have set an example of corporate social responsibility.

Core Values

Diligence

Ethics: Completing our work with pride and responsibility

Perseverance: Seeking perfection in our craftsmanship

Strive: Striving for Excellence with an unyielding spirit

Simplicity

Honesty: Being honest and trustworthy, while adhering to our principles

Goodwill: No matter how small the act, always do the right thing

Pragmatism: Avoiding vanity, boastfulness and material gain

Innovation

Responsibility: Be responsible for all of your social roles

Courage: Never fear change or failure

Vision: Respect the past, weigh the present, and aim at the future

Learning

Professionalism: Skillfulness, improvement and perfection

Open-mindedness: Being open to new ideas with modesty and the ability to learn from others

Progress: Never stop pursuing excellence and making groundbreaking breakthroughs



ESG Management Mechanism

At Fuyao Glass, ESG management is given significant attention and integrated into our daily operations and decision-making processes. Our aim is to ensure that our growth contributes to our stakeholders, including customers, partners, the industry, employees, and society. To support this, we have established a comprehensive ESG governance structure and identified material ESG topics, allowing us to set our sustainable development goals for climate change and environmental management. These efforts are driving the Company towards sustainable development.

To standardize and professionally manage our ESG efforts, we have established an ESG management system. This system is made up of the Board of Directors, an Environmental, Social and Governance (ESG) Working



Fuyao Glass's ESG management structure

We have developed the Fuyao Glass Social Responsibility Code of Conduct. This code applies to all employees at Fuyao Glass and all its subsidiaries and their product, material, and service suppliers. The Code covers corporate management in labor rights, health and safety, environmental protection, and business ethics. It is designed to promote a culture of ESG awareness and sustainability within the Company and among our partners.

Group, business units, and functional departments. The Board of Directors is the highest authority for ESG management decisions and the ESG Working Group, led by the head of the Board Office and consisting of the heads of various functional departments, is responsible for overseeing and executing ESG initiatives. The Working Group coordinates with business units and functional departments to develop ESG work plans and identify and monitor ESG risks and continuously improve the Companys ESG governance and management. In this way, we ensure that we fulfill our economic, environmental, and social responsibilities effectively.

ESG Performance Highlights in 2022

Prioritizing Ouality to Become a Loval Partner to Our Global Customers

Stakeholders Engagement

In our commitment to creating sustained value for all stakeholders, we prioritize open communication and actively engage with them through both online and offline channels. We make it a priority to understand their perspectives and needs, and work to address their key concerns in a manner that benefits everyone.

Stakeholders	Stakeholders' Expectation	Communication Channels
Government and Regulatory Authorities	 Professional ethics and anti-corruption Environmental compliance issues Intellectual property rights Legal compliance Legal tax payment 	Government conferencesSupervision and inspectionsDaily management
Shareholders and Investors	 Shareholder return Information disclosure Investor relations Corporate governance Risk control 	 General meetings of shareholders Information disclosure Activities of investor relationship
Customers	Product qualityCustomer serviceConsumer rights protection	 Customer survey and research Customer service hotline Product quality management Customer satisfaction survey
Employees	 Talent development Anti-discrimination, diversity, and equal opportunities Occupational health Production safety Staff care Staff communication and democratic management 	 Compensation system Staff care Democratic management Staff training Staff communication Internal publication
Partners/Suppliers	Responsible procurementWin-win development	Supply chain management systemSupplier conference
Society	Public welfareUrban developmentCommunity harmony	 Community public welfare activities Job creation Community construction Care for the elderly and children
Environment	Environmental complianceEnvironmental protectionEcological balance	 Response to climate change Emissions management Resource consumption reduction

Stakeholder Engagement Mechanism

Materiality Assessment

To align our business activities with stakeholders' expectations and demands, we regularly evaluate material ESG topics. Using surveys and based on our strategic development, we have developed a materiality matrix and highlighted the ESG topics that have the greatest impact and significance. This helps us prioritize our efforts in fulfilling our social responsibility and providing relevant information disclosure.



• Product quality

• Staff communication and democratic management

• Water consumption

- Packaging materials consumption
- Environment management system
- Biodiversity protection
- Noise control
- Supply chain management
- Anti-discrimination, diversity, and equal opportunities
- Public welfare
- Advertising and label management

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- Hazardous materials and waste management
- Occupational health and safety
- Energy efficiency improvements and climate change response
- Talent development
- Customer service
- Information security
- Production safety
- Intellectual property rights
- Professional ethics and anti-corruption

- Green products
- Energy consumption
- Emergency management on environmental pollution
- Wastewater and waste gas management
- Staff care

Materiality Matrix in 2022

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ESG Performance Highlights in 2022

ance Respons 2022 <u>Manager</u> Fostering Operational Integrity to Build a Globally Respected Brand Prioritizing Quality to Become a Loyal Partner to Our Global Customers

Statement of the Board of Directors

Fuyao Glass places great emphasis on sustainability in its business practices. The Company is dedicated to enhancing its ESG governance system, fulfilling its responsibilities as a corporate citizen, and advancing social sustainability through concrete actions.

The Board of Directors is the highest decision-making body, and it plays a key role in ESG governance by setting the Company's strategies and plans regarding ESG, overseeing risk management, monitoring performance, and determining the scope of ESG reporting. This top-down approach ensures that ESG considerations are integrated into the Company's decision-making process.

The Company maintains close communication with stakeholders to understand their demands at regular internal and external events and ensures it meets the expectations and requirements of investors and regulators. The Company identifies and assesses material ESG topics, and discusses and reviews the assessment results at the ESG Working Group. These practices provide the Board of Directors with valuable information on the potential impacts of ESG matters on the Company's business model and assist the Board in determining the direction of sustainable development.

In 2022, Fuyao Glass's Board of Directors reviewed the ESG work plan as well as the action plan and progress towards the set ESG goals for the year. The Board placed special emphasis on the target setting and path planning for the dual carbon goals (of peaking carbon dioxide emission before 2030 and achieving carbon neutrality before 2060) and the establishment of the Greenhouse Gas Management Committee. By dutifully fulfilling their responsibilities, the Board has enhanced the Company's sustainable business practices and improved its sustainability performance.

This report discloses in detail the progress and achievements of Fuyao Glass's ESG efforts in 2022 and was deliberated and adopted by the Board of Directors on March 16, 2023.

Future Outlook

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Responsibility Management

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Fostering Operational Integrity to Build a Globally Respected Brand

Fuyao Glass recognizes the significance of sound corporate governance in establishing a reputable and reliable brand. The Company emphasizes governance in compliance with national laws and regulations, as well as domestic and overseas regulatory requirements. It has upgraded its risk prevention mechanism and control measures, intensified its integrity efforts, and improved its modern governance system and capabilities.

Annual Highlights

- of operating sites having conducted business ethics audits or risk assessments 100%
- of our employees having received training on business ethics 100%



onal Integrity to Build a Globally Respected Brand

Prioritizing Quality to Become a Loval Partner to Our Global Customers

Consolidating Governance Foundation

We strictly observe the Company Law of the People's Republic of China, the Securities Law of the People's Repub*lic of China, the Code of Corporate Governance for Listed Companies*, and regulatory documents such as the listing rules of the Shanghai Stock Exchange and the Stock Exchange of Hong Kong. We have improved our corporate governance structure, which consists of the Shareholders' General Meeting, the Board of Directors, the Board of Supervisors, and the senior management, with clear definitions of their respective responsibilities for decision-making, execution, and supervision. We have also established a well-defined corporate governance mechanism, with effective checks and balances to ensure the Company's compliance with regulations.

We have established an independent director system in line with international practice. The Company's Board of Directors oversees four special committees, including the Audit Committee, Nomination Committee, and the Remuneration and Assessment Committee, all of which are chaired by independent non-executive directors. Each committee is assigned specific and detailed responsibilities and obligations. These committees play a critical role in the Company's strategic decision-making, regulated operation, and contribute to the sustainable and stable development of the Company.



We recognize the importance of Board composition and have developed a Policy on the Diversity of Board Members in accordance with listing rules. In selecting director candidates, we consider their gender, age, cultural and educational backgrounds, professional experience, skills, years of service, as well as the Company's conditions and specific needs. We strive to create a Board of Directors that is diverse in terms of views, experiences, and perspectives, promoting a balanced representation of backgrounds and skills.



Risk and Compliance Management

To ensure the Company's operation is conducted in compliance with regulations and promote its healthy development while safeguarding the rights and interests of our shareholders, we have developed an Internal Control System, an Internal Audit System, a Professional Code of Ethics for Internal Auditors, a Management System for Internal Audit Projects, and a Checklist of Key Risks in In*ternal Control*. These regulation and governance systems support the Company's high-quality development, continuously improve the Company's regulated management, and ensure compliance and effectiveness in our governance as a listed company.

We continuously optimize our risk and compliance man-



We have established a sound risk identification and management process. We regularly evaluate risks and develop countermeasures. In 2022, our main risks included those related to economic, political, and social conditions; government policies and wars: risks associated with industry development, market competition, cost and exchange rate fluctuation: rapid technological change and evolving industry standards; financial management; cybersecurity; information swindle and theft; and environmental and social risks. We effectively addressed these risks through structural modification, system improvement, technological innovation, product upgrading, and business model adjustment.

agement system. We have established a risk control operation mechanism that prioritizes "risk management awareness of all staff, engagement of everyone in internal control, and responsibility of everyone for compliance implementation." We have assigned specific responsibilities for internal control evaluation and risk assessment activities to each level of the Company. We have strengthened the coordinated management of the Three Lines of Defense (management by business departments, internal independent evaluation, and external supervision and review). Additionally, we practice source control. Through these measures, we strive to continuously enhance the efficiency of our risk and compliance management.

ional Integrity to **Build a Globally Respected Brand**

Prioritizing Quality to Become a Loval Partner to Our Global Customers

Becoming a Green Pioneer and Conserving the Global Ecology

Upholding Operational Integrity

We uphold the management philosophy of "human-orientation and integrity," the brand philosophy of "moral standing, product, guality, and taste," and the team philosophy of "unity, efficiency, integrity, and fairness." We strictly regulate our management in accordance with high business ethics. Moreover, we have increased our efforts in the anti-corruption system, optimized our diversified supervision and review system, and improved our complaint and whistleblowing mechanism. As a result, we have made steady progress in our business ethics and anti-corruption management.

Improving Management Systems

We comply with the Criminal Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Anti-monopoly Law of the People's Republic of China, and other applicable laws, regulations, and rules, as well as domestic and overseas regulatory requirements on listing companies. Internally, we have established anti-corruption and anti-unfair competition systems to ensure ethical conduct and fair competition.

In terms of professional ethics, anti-fraud, conflict of interest, and gift management, we have set business ethics codes of conduct that promote integrity in procurement and operation and prohibit executives and employees from seeking or accepting undue benefits in their day-to-day work. Moreover, we have strengthened our systemic supervision to ensure fair competition and protect the interests of the Company and shareholders. Fuyao Automotive Glass and Fuyao Float Glass include fraudulent acts that could damage the Company's interests and image in the annual assessment of their branches and subsidiaries.

In 2022, 26 operating sites ducted business ethics au or risk assessments, and	
100 ¹	
were completed.	
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Professional ethics	 Internally: We have formulated the Employee Code of Conduct, Integrity and Discipline Management Regulations, and Professional Code of Ethics for Internal Auditors to urge employees to comply with the code of professional ethics and strictly prohibit unethical means to ensure the audit is carried out independently, objectively and impartially. Externally: We require our suppliers to sign the Law Compliance Commitment, promis- ing that they will not grant benefits to Fuyao Glass-related staff in any form to obtain convenience. If the supplier is found to offer bribes to the Group's staff, Fuyao Glass has the right to terminate the business relationship between the two parties and charge a breach of contract fee.
Anti-Fraud	• We have established the Anti-Fraud Management System to prohibit nine types of fraudulent acts by employees, such as accepting bribes, concealing or reporting wrong transaction matters, in order to prevent acts that harm the interests of the Company and its shareholders.
Conflict of Interest	 We have established the Conflict of Interest Management System and the Personnel Avoidance System, stipulating that employees should consciously recuse themselves from matters in which their personal interests conflict with those of the Company and raise awareness of anti-fraud and anti-corruption.
Gift Management	• The Company has set up a "Gift Acceptance Registration Form" to clarify the source, the content, and the recipient of gifts, in order to eliminate possible bribery in the process of gift acceptance.

Business ethics codes of conduct

¹ The Company determines the main units, businesses, business and high-risk areas included in the assessment scope according to the risk-oriented principle. There are 26 major production subsidiaries of Fuyao Glass, all of which have been included in the scope of internal control audit and risk assessment in 2022, accounting for 100%.

Integrity Education and Training

At Fuyao Glass, we prioritize promoting a culture of integrity. To achieve this, we carry out regular training on anti-corruption for directors and employees aiming to continuously enhance integrity awareness and create a positive environment that encourages professional integrity.

Fuvao Glass's Integrity Culture Promotion Events

Every year before the Labor Day, the Mid-Autumn Festival, and the National Day, we produce posters on integrity and push them to all employees on our corporate WeChat account. In this way, we reaffirm integrity disciplines and enhance employees' integrity awareness.

When implementing field management audit projects, we disseminate the Company's integrity disciplines. Additionally, we provide complaint and whistleblowing channels for employees to report the misconduct of suppliers, customers, and other employees, as well as violations of professional ethics by auditors.

In December 2022, the Company hosted a video conference on risk management and control during infrastructure projects. At the conference, integrity discipline was reiterated, the iron integrity principle was exemplified, and Fuyao Glass's whistleblowing channels were introduced. Infrastructure project constructors and the Company's infrastructure managers, totaling 25, attended the conference.

Regulating Whistleblowing and Supervision

We encourage employees to report violations of integrity, abuse of authority, dereliction of duty, malfeasance, violation of business management orders, and other misconduct, and we reward whistleblowers for their efforts. Internal and external stakeholders can report incidents of business misconduct to us via the dedicated reporting hotline at 0591-85363456 or the email GM@fuyaogroup.com. We have an independent internal audit department authorized by the Board of Directors to receive and investigate such complaints, and report investigation results to the management and the Board of Directors.We have a clear whistleblower protection mechanism in place that includes strict measures to protect whistleblowers' rights and interests and maintain the confidentiality of reported informa-



sessions of professional In 2022, the Company hosted ethics education and training The coverage rate of directors and employees in such training reached 100

Fuyao Glass hosts a training conference on anti-corruption during infrastructure projects

tion.In 2022, the Company's response rate to complaints about business ethics remained stable at 100%.

We take violations of regulations, disciplines, and laws seriously, investigate any reported incidents, and take appropriate actions to address misconduct. At Fuyao Glass, we firmly oppose pay-to-play activities and seek to prevent and eliminate any illegitimate interests that are prohibited by applicable laws and regulations. During the reporting period, no corruption lawsuits were filed in the Company, and we discovered one internal corruption case. The closing rate of cases related to business ethics was 100%. Corruption lawsuits and violations handled by internal supervision departments have all been properly handled.



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Prioritizing Quality to Become a Loyal Partner to Our Global Customers

At Fuyao Glass, quality is our top priority in the pursuit of excellence. We are committed to continuous improvement of our internal quality management system and have established prevention and emergency mechanisms to ensure product quality in all aspects of our operations. We have also built a quality workforce to support our efforts to maintain high standards. We continue to improve our services, advance technology and product innovation and upgrades, and standardize our intellectual property management to provide our customers with high-quality products and services that meet their needs.

Annual Highlights

- Average hours of quality training per employee was **3.6** hours
- The pass rate of the annual customer performance evaluation was 86%, a year-on-year increase of 1%
- Information security training covering 2,044 employees, with average hours of training of 4.9 hours
- **407** patents applied and **301** patents granted



ESG Performance Responsibility Highlights in 2022 Management Prioritizing Quality to Become a Loyal Partner to Our Global Customers Becoming a Green Pioneer and Conserving the Global Ecology

Perfecting Quality Management

We insist on the "four pillars (goodgrades, high quality, positive characters, and superb products) as one cornerstone and two stimuli" quality management model for the Fuyao Three Highs quality goals (of high efficacy, high stability, and high performance). We have optimized and improved our quality management mechanism, built an IT-enabled quality laboratory platform, and enhanced all employees' quality management awareness and capacity. These initiatives have laid a solid foundation for our quality.

Quality Management System

We strictly observe the *Product Quality Law of the People's Republic of China*, the *National Standard for Flat Glass*, and other applicable laws, regulations, and industry standards. Internally, we have established a *Quality Management Handbook* in place for product quality management. We have passed the IATF16949:2016 certification. We have 19 subsidiaries that have passed the IATF16949:2016 certification, with a coverage rate of 100%. Fuyao Automotive Glass has established a standardized workflow specification for the quality system that monitors and manages product quality to meet the requirements of stakeholders.We continuously improve and optimize our processes in serving our customers. In 2022, we introduced the Inspection and Testing Equipment module and the Labelling and Tracing Management module to extend quality management to more scenarios.



Fuyao Automotive Glass's standardized workflow specification for the quality system in 2022

We have established a rigorous quality supervision mechanism and constantly operate a tripartite audit system. Under the principle of fair and impartial auditing, we strictly control product quality according to the standards of all stakeholders to fulfill our quality assurance responsibility. Additionally, we have developed *Management Regulations on Quality Accident Prevention and Accountability* and other internal systems, and established a quality accident handling process that encompasses accident prevention, handling, and accountability. In 2022, we conducted 18 tripartite audits for 100% of our subsidiaries. There were no quality-related complaints that caused a major impact on the market or recalls due to product quality defects.

Fuyao Glass's Quality Tripartite Audit

First-party	Second-party	Third-party
The Company's internal audits. An internal self-audit is con- ducted every year for self-cor- rection and prevention.	Customers' external audits. Fuyao Glass regularly accepts project au- dits and annual system audits by customers.	Third-party certification agen- cies recognized by customers conduct annual audits on the Company's quality, environment, occupational health and safety, and information security.

Implementing Quality Strategies

We have launched a quality strategy plan to comprehensively advance quality planning and enhance improvements. Our quality strategies have been developed for various aspects, including product innovation, process collaboration, intelligent manufacturing process, supply synergy, agile services, and fundamental support to improve our quality capabilities.

Quality Strategy Plan

Improving Six Quality Capabilities	Product innovation quality Improve product category-specific knowl- edge bases and standards, complete the	Process collaboration quality Develop management system standard and the core processes for employe
Intelligent manufacturing process quality	informatization of the entire business pro- cess, and achieve smooth mass production	training, enhance our cross-comp project management systems, and tablish an efficient collaboration proc
Improve automated product testing and process moni-		
testing and process moni- toring methods, establish a digital and semi-intelli- gent process control mod- el, and achieve a stable, high-quality, and low-cost manufacturing process	Supply synergy quality Collaboratively seek and provide training to strategic suppliers for new technology and business, strengthen the management of key/risk suppliers, and ensure the stable quality of materials for new business	Agile services quality Improve three-dimensional and mu ti-level customer relationships, appl information technology in customer re lationship management, and establish globally integrated service network

Provide training to versatile experts for new technologies and make a pipeline, improve internal control standards for new technology-enabled products, and consolidate our fundamental supports such as quality human resources, standards, and methods

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ESG Performance Resnonsihility Management

Prioritizing Quality to Become a Loval Partner to Our Global Customers

and Becoming a Global Best Employer

Becoming a Green Pioneer and Conserving the Global Ecology

In 2022, we further enhanced our quality control in the production process. By conducting quality planning, conferences, and continuous improvements, we progressed our top-down quality control efforts throughout the Company to ensure steady progress in product quality.



We are actively modernizing our quality management model by embracing digital technologies. We collect transfer, analyze, process, and apply data in many segments of our quality work and integrate the datato improve the efficiency of our quality services.



The Company put efforts into building an IT-enabled quality laboratory platform in 2022 to improve quality management efficiency. The platform features:

- A library of structured quality in spection experiment standards;
- An automatic system that connects the entire quality management process with transparent information, improving operational efficiency and collaboration;

By the end of 2022, the Company had completed the first-phase requirement development of the IT-enabled quality laboratory platform. Two basic databases were built in Shenyang and Fuqing. Standard collection and online project application had started.



- Automatic output of applications related to quality inspection tasks, with tasks arranged in an efficient, coordinated and orderly manner;
- One-off entry of experimental data and automatic report generation, eliminating complicated steps.

Prioritizing Quality to Become a Loval Partner to Our Global Customers

Becoming a Green Pioneer and Conserving the Global Ecology

Fostering a Quality Culture

We are dedicated to enhancing our quality talent echelon and fully implementing the guality management system to foster a corporate quality culture by providing quality training and examinations to all employees to improve their quality awareness and understanding and to recognize the importance of a quality culture. To encourage

learning, we have introduced incentives for employees. We conduct a comprehensive evaluation of employees based on equipment maintenance and on-site management, and reward employees with excellent results. These initiatives have created a virtuous circle, in which product guality and talent development reinforce each other.

In 2022



19,950

we delivered quality training to a total attendance of



Fuyao Automotive Glass trains the Suzhou and Shenyang QE teams

In 2022, Fuyao Automotive Glass' trainers provided tutoring for the quality engineer (QE) teams at the Shenyang and Suzhou subsidiaries. They provided seven tutoring sessions for overall quality planning for some customer projects and four on-site support sessions for product safety system audits and customer audits. Moreover, they provided nine experience sharing sessions on QE business operation manual training and PPAP standard document package case training. This practice has effectively improved the QE teams' quality planning ability.



Training of the Suzhou and Shenyang QE teams

on-site support sessions for product safety system audits and customer audits





tutoring sessions for overall quality planning for some customer projects



Optimizing Customer Experience

We prioritize protecting our customers' rights and interests by conducting regular customer satisfaction surveys, implementing real-time tracking of product quality complaints, and strengthening our customer privacy management. Through these efforts, we have improved our customer rights protection mechanism and fostered strong and positive relationships with our customers.

Raising Customer Satisfaction

We fully respect and protect our customer's interests. We have developed the Customer Service Management Regulations, the Return Management Process, and other systems. Our commitment to responsible services is reflected in our professional customer service processes and extensive management experience. In 2022, we updated the *Customer Service Management Regulations*, expanding the scope of services to include overseas customers and implementing a third-party initiation and management mechanism for customer complaints in the United States and Europe. We have raised requirements for our full-time



- overseas customer service staff to improve our service guality for overseas customers.
- We have identified service priorities specific to each phase of customer service - before, during, and after. By putting ourselves in our customer's position, we continuously strive to enhance the quality of our service. In 2022, we improved our service quality through project-based boosting, internal optimization, service improvements, and performance monitoring. Our efforts have supported our customers in improving their business performance.

Prioritizing Quality to Become a Loval Partner to Our Global Customers



Special actions to improve service guality in 2022

We have established a sound complaint handling system that follows the 1-3-7 principle for efficient handling of customer complaints. Our process begins by collecting the customer's problem and providing preliminary responses within one working day. We then classify the complaint in accordance with the *Classification Criteria for the Nature* of *Problems* and follow the *Customer Complaint Escalation Process* and the *Customer Service Management Process* in handling problems that customers face. Our aim is to pro-

Ensuring Information Security

We observe the Data Security Law of the People's Republic of China, the Personal Information Protection Law of the *People's Republic of China*, and other applicable laws and regulations. We have established a sound system to manage our information security policies. We have developed an Information Security Management Manual, Information Assets Control Regulations, and Management Regulations on the Information Security Code of Conduct, and constantly improve and upgrade them. In 2022, we introduced three personal information protection systems: Regulations for Personal Information Protection, Management Regulations for Personal Information Processing, and Management Regulations for Personal Information Protection Impact Assessments.

Our personal information management principles, boundaries, management mechanisms, and other procedures and standards are strictly followed to ensure the

vide the customer with preliminary investigation results within three working days and a formal research report, progress, improvements within seven working days. Moreover, we have unblocked channels for customers to submit their feedback, including a dedicated guality mailbox (fy.qualityservice@fuyaogroup.com) to receive customer opinions and feedback and ensure that full-time staff can follow up and solve problems timely. In 2022, Fuyao Glass had no major customer complaints.

high-quality operation of personal information protection.

We ensure the confidentiality of customer information and data and employ a combination of technological and managerial measures to ensure its security. In terms of technology, through encryption and stringent access control, we manage data throughout its lifecycle to prevent loss or leakage. In terms of management, we have established an information security management system and an Information Security Management Committee, and conduct internal audits of cybersecurity and information security to ensure the effectiveness and suitability of the system. We have passed the ISO 27001:2013 information security management system certification and TISAX AL3 automotive industry-standard information security assessment certification. Moreover, we are encouraging our subsidiaries to obtain these certifications.



In 2022, Fuyao Glass recorded no customer privacy leaks. By 2022, 4 of Fuyao Glass's subsidiaries had passed the TISAX AL3 certification².

² TISAX AL3 is the highest level of the Trusted Information Security Assessment Exchange (TISAX), a European standard for information security assessments and data exchange security for the automotive industry.





Training on information security risk management





with average hours of training of

- The "Identify Phishing Mails at the Frist Glance" training
- Special skill training on the *Information Security Risk Management* and the *Guide to Information Security Controls*
- Training on the Personal Information Protection Law
- Emergency drill for the remote migration of MES system servers
- Emergency drill for the failure recovery of the ERP system
- Emergency drill for the failure recovery of the PLM system

Responsibility Highlights in 2022

Prioritizing Quality to Become a Loval Partner to Our Global Customers

Becoming a Green Pioneer and Conserving the Global Ecology

Innovations in Product Development

We adhere to the "leading technology and intelligent production" strategy which involves consistent investment in research and development (R&D) resources. Following the trend of the automotive glass industry, our product R&D is oriented towards meeting customer needs, with a focus on safety, intelligence, environmental protection, decoration, and assembly. As a company committed to promoting product upgrades through independent innovation, we ensure that R&D and innovation efforts are in sync with product mass production. In 2022, we made phased progress in the R&D of intelligence, energy efficiency, and personalized appearance, and these advancements have already been implemented.

Intelligent pillars realize human-computer interaction

Fuyao Glass has developed an Intelligent Pillar based on automotive perception and intelligent technology, which is capable of intelligent network connection. Keyless entry, biometrics, and intelligent driving are brought together in the pillar trim. The intelligent technology integration maximizes product value and enhances user experience.

In terms of keyless entry, the Intelligent Pillar integrated buttonnes, Bluetooth, and other wireless communication modules serve different communication distances in collaboration. More importantly, Fuyao Glass's self-developed ultra-wideband communication technology overcomes the shortcoming of easy

information leakage in existing keyless entry. In terms of biometrics, the Intelligent Pillar captures face information and fingerprint information to verify the identity of the car owner. In terms of intelligent driving, the Intelligent Pillar enables self-driving and the perception of the external environment of the vehicle.

Fuyao Glass is one of the first companies in the world in the mass production and sales of Intelligent Pillars. In 2022, the Intelligent Pillar earned for the Company the Excellence Award in the mass-produced electronic appliances category of the 7th China Auto Parts Industry Awards of Automotive Business Review for.



The Intelligent Pillar's human-computer interaction function

Integrated design helps save energy and reduce carbon dioxide emissions

Fuyao Glass has put efforts in the integrated design of glass and antenna in developing 5G antenna glass for intelligent connected vehicles. The Company abolishes the traditional model where antennas are scattered in the vehicle and integrates different antennas into one piece of glass. This approach reduces the antenna arrangement in the vehicle and realizes a lightweight vehicle, thereby reducing carbon dioxide emissions and saving energy during driving.



Illuminated side windows enhance visual experience

Fuyao Glass has developed a glass exterior design with a lighting module, where LEDs are embedded into automotive lighting trims. The design communicates vehicle information to users through lights of different colors and at different frequencies. Specifically, when the vehicle is unlocked, the lighting module display the battery level of the vehicle with different colors to inform the driver with how far the vehicle can travel before charging. During the charging process, the lighting module flashes at different frequencies to inform the driver with whether the vehicle is in the fast-charging mode or the slow-charging mode.



The glass-antenna integrated design

The lighting side window displays the battery level of the vehicle

ESG Performa

G Performance Responsibility ghlights in 2022 Management

Fostering Operational Integrity to Build a Globally Respected Brand

process from proposal, review, submission, management,

maintenance, and review. These policies ensure that our

patent applications are in compliance with all relevant

regulations and standards. To encourage our employees

to unleash their R&D potential, we have also formulated

the Patent Rewards Measures, which set out the criteria for

patent R&D rewards and reward distribution. This allows

us to fairly and impartially reward inventors for their con-

tributions. In 2022, the Company applied for 407 patents

and was granted 301 patents, including 111 domestic and international invention patents, an increase of 61% over

the same period. Notably, it saw a significant increase in

the number of technological innovation results.

Prioritizing Quality to Become a Loyal Partner to Our Global Customers Becoming a Green Pioneer and Conserving the Global Ecology

Strengthening Intellectual Property Rights Protection

We strictly abide by the Patent Law of the People's Republic of China, the Copyright Law of the People's Republic of China, and the Anti-Unfair Competition Law of the People's Republic of China, and other applicable laws and regulations. Our internal management policies, such as the Regulations on Fair Competitionand the Patent Management Regulations updated in 2022, complement our commitment to the protection of our intellectual property rights and prevent any potential infringement of others' intellectual property rights.

We have developed a Patent *Application and Maintenance Process, Patent Review Rules*, and *Patent Agency Review Rules* to regulate the patent application and maintenance

In 2022



Patents applied for and Granted from January 1st, 2022 to December 31st, 2022 (for the whole Group, including subsidiaries)

Project Type	Domestic inven- tion	International invention	Domesticutility model	Domestic de- sign	РСТ	Total
Number of applicants	176	8	159	17	47	407
Number of grants	110	1	182	8	/	301

Accumulated Patents Granted to the Company by December 31st, 2022 (for the whole Group, including subsidiaries)

Project Type	Domestic in- vention	International invention	Domestic utility model	Domestic de- sign	РСТ	Total
Number of applicants	1,131	20	1,557	21	69	2,798
Number of grants	557	10	1,461	11	/	2,039

As a member of the Patent Protection Association of China, we enhance our intellectual property protection system based on the Company's business management characteristics. In 2022, we developed and introduced an online patent management platform system, enabling us to streamline the management of our intellectual property information through IT-based processes, including intelligent filing, and early warning of risk patents. This system has enhanced our internal utilization and management of intellectual property information, further safeguarding our valuable intellectual property assets.

Measures for the IT-based Patent Management in 2022



Upholding a People-Centered Philosophy and Becoming a Global Best Employer

At Fuyao Glass, we remain dedicated to our original goal of becoming the world's best employer. We focus on the welfare of our employees, safeguard their legitimate rights and interests, protect their safety and health, offer systematic support for career growth and development, meet their expectations for a better life, and advance together with them.

Annual Highlights

- The proportion of workplaces that received human rights inspections was20.83%, The proportion of places that introduced human rights safeguards was29.17%
- The average result of employee satisfaction from 14 operating sites was 89.97%
- The proportion of employees representing the Health and Safety Committee was 2.18%
- The proportion of sites that conducted evaluations on employee health and safety risks was 100%
- We helped 10 employees in need and gave 910,000 yuan in total



ESG Performance Responsibility Hiahliahts in 2022 Management

Safeguarding Our Employees' Rights and Interests

At Fuyao Glass, we place a high value on the rights and interests of our employees. This means we take their interests and needs as a top priority, offer a diverse and inclusive work environment, have open lines of communication and feedback mechanisms, and provide competitive compensation. We also strive to attract global talent in a fair and equitable manner. In 2022, Fuyao Glass has a workforce of 28,982 employees.



Turnover of employees at Fuyao Glass in 2022 (Chinese mainland)

Category		Number of people	Rate (%)
Deced on conder	Male	5,394	21.4
Based on gender	Female	1,202	19.0
	30 and under	3,391	28.8
Based on age	31-50	3,164	16.6
	51 and above	41	5.9

Employees at Fuyao Glass in 2022

The number of employees based on the type of employment The number of employees based on gender





The number of employees based on age (Chinese mainland)



The number of employees based on rank (Chinese mainland)



The number of employees based on profession









Performance Resp

Prioritizing Quality to Become a Loyal Partner to Our Global Customers

Labor standards

Fuyao Glassabides by *the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Provisions on Prohibition of Child Labor* and other applicable laws and regulations, standardizes and improves ou rinternal employment system, and follows compliant recruitment practices. In 2022, we updated the Regulations on *Recruitment Management* and issued the *Administrative Regulations on the Protection of Workers' Rights and Interests based on our own development and the actual needs of employees.* We take a strong stance against forced labor and strive to promote diversity and equity. Emphasis is put on treating all employees from diverse cultural backgrounds in an equal and inclusive manner. We also clarify our employees' rights and interests in equal opportunity, health and safety, and safeguard them against harassment and discrimination at work. If any illegal practices are discovered, we will report them to the appropriate legal authoritiesas necessary. We maintain a zero-tolerance policy for any infringement on the lawful rights and interests of our employees.

Additionally, we prohibit the use of child labor by setting a minimum age requirement and requiring all job applicants to present valid identification. In 2022, there were no reported incidents of forced labor, human trafficking, discrimination, or harassment in the workplace at Fuyao Glass.

Certification Status of Fuyao Glass in the Management System of Labor and Human Rights in 2022



32.89 %

Proportion of employees educated on anti-discrimination and human rights abuse

20.83 %

Proportion of workplaces that received human rights inspections

29.17 »

Proportion of places that introduced human rights safeguards

Proportion of employees from minority or vulnerable groups and female employees in 2022

3.82 %

Proportion of employees from minority or vulnerable groups

3.82 %

Proportion of senior executives from minority or vulnerable groups

Proportion of female senior executives

12.74。



Remuneration and benefits

To attract and retain talent, Fuyao Glass upholds the remuneration principles of fairness, competition, incentives, economy and legality, and improves its institutional documents including the *Remuneration Management Policy*, the *Employee Performance Management Regulations* and the *Benefit Management Policy*. The Company takes into account its employees' performance and working hours and implements a pay structure consisting of base pay, allowance, merit pay and various benefits, which include

Democratic management

Fuyao Glass recognizes and respects the rights of each employee to freedom of association and collective bargaining, and identifies, mitigates or eliminates any potential obstacles that infringe upon these rights. In accordance with applicable laws and regulations, the Company has established and improved a series of institutional documents such as the *System of Employees' Congress*, the *Proposal System of Representatives of Employees' Congress* and the *Regulations of Representative Congress for the Trade Union*, attached great importance to the organization and development of the trade union, and practiced democratic decision-making, democratic supervision and democratic management through concrete actions.

35.48 %

of our employees were covered by the collective bargaining agreement

At Fuyao, we carefully listen to the voice of our employees, require all subsidiaries to conduct employee satisfaction surveys on a regular basis, and set up an anonymous hotline and complaint channels. Employees can report or complain via HR Management Center, the trade union and Voice from Employees. In this way, the Company safeguards their right to express opinions, and encourages more of them to contribute their insights to drive corporate growth. The employee satisfaction result in 2022 was 89.97%.

89.97 % The employee satisfaction result in 2022 basic medical insurance, paid leave, free check-ups, holiday gifts and team building activities.

The Company also issued the *Employee Attendance and Holiday Management Policy to systematically* arrange employees' time for work and rest. In this way, our employees' rights to work, rest and take a leave are safeguarded and good work-life balance is achieved.

37.49 "

of our employees were formally elected representatives.





Ensuring Health and Safety

Fuyao Glasscomplies with applicable laws and regulations, and is guided by the principle that "Safety is the top priority". We make substantial investments in preventing, controlling, and eliminating potential hazards in the workplace. Our employees are provided with personal protective equipment (PPE) that meets national occupational health standards, and we regularly conduct awareness campaigns on workplace safety and emergency drills to maintain a safer and reliable work environment for all our employees and thus fully protect their health.

Safety management mechanism

Fuyao Glass complies with the Work Safety Law of the People's Republic of China, the Regulations on Reporting and Investigation of Work Safety Accident, the Regulations on Work Safety License, the Regulations on the Safety Management of Hazardous Chemicals and other applicable laws and regulations on workplace safety. The Company has formulated the *Measures of Work Safety*, and released the Regulations on the Management of Work Safety Re*sponsibility System*, the *Safety Education and Training* Management Regulation, and the Regulations on the Safe*ty Management of Production Equipment and Facilities* in response to workplace safety and management issues in terms of systematic planning, work safety, management of equipment and facilities, and preparedness for accidents and emergencies. All these efforts are aimed at achieving greater synergy between higher levels of safety and high-guality development.

Committee reached

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To ensure that the concepts of workplace safety, occupational health and environmental protection are integrated into our daily operations, the Company has established the EHS Department. This department is responsible for building a company-wide EHS management system and overseeing the subsidiaries as they build their own EHS management systems. We require our subsidiaries to create a clear safety management structure, appoint safety affairs representatives or set up a workplace safety commission, and designate safety, environmental protection and occupational health specialists to implement and manage EHS affairs. Additionally, safety management performance was included as an assessment indicator. Our aim is to gradually accomplish the Company's EHS objectives and further improve our internal EHS management practices.

In 2022, the proportion of employees representing the Health and Safety In 2022



EHS Management Structure

The Company's injury rate per Cases of occupational thousand people was illness lost working hours due to work-related injuries 63,688 hours

The number of work-related deaths in the past three years was

0,0,0 respectively

Safety system certification

Fuyao Glass encourages its subsidiaries to create EHS management systems and obtain the relevant certification. By publishing the EHS Management Brochure, the Company has greatly improved its EHS management system and delivered its promise that "Safety is the top priority." The Company also released 36 EHS-related institutional documents, including the Regulations on EHS Strategic Management, the Regulations on EHS Responsibility, the Regulations on Safety Management of Special Equipment and Personnel, the Regulations on Workplace Accidents, and the Regulations on Occupational Health. By doing so, the Company clarified internal management standards and thus offered guidance for subsidiaries on better management practices.

Safety management measures

Fuyao Glass focuses on preventing accidents and identifying risks related to health and safety, and improves the safety management level from the dimensions of safety inspection, safety assessment, safety awareness, and safety drills.

Safety inspection and assessment

The Company proactively implements the policy of "safety first, prevention first and comprehensive treatment" and thoroughly evaluates our safety management chain to ensure that all the activities are covered by safety management measures and to minimize the risk of accidents. In accordance with the Regulations on Safety Inspection and Hazard Rectification, we conduct daily and monthly safety inspections, special safety inspections and behavior-based safety inspections to eliminate hidden risks and dangers.

Fuyao Glass has launched the 1000-point Assessment Campaign which evaluates quality, safety, and the environment. This campaign includes standardized audits that focus on increasing revenue, reducing expenditure, seeking growth and controlling risk. The indicator of work-related injuries per 1,000 employees carries 50 points.

FYSAM Conducted Safety Inspections

As an important overseas project for Fuyao Glass, FYSAM improved its performanceinworkplace safety in 2022. Specifically, it prepared and updated the safety data sheet of hazardous substances, and published training principles for handling them. A waste register was established to determine the eligibility for storage/intermediate storage and disposal. Emission control officers, waste officers, and hazardous material officers were appointed. Fire safety inspections were carried out in all factories and new fire prevention plans were drawn up. New safety signs were added across the factory and old signs were replaced with new ones. In 2022, FYSAM held 52 company-wide safety-related meetings, conducted 62 corporate safety inspections, and documented 240 dangerous substances. It successfully passed the assessment of the occupational health, safety, environment and energy (OHSEE) management system for the second year in a row.

In 2022, Fuyao Glass passed the on-site evaluation and reexamination by the EHS system and obtained the relevant certificates. There were 21 operating facilities that passed the ISO 45001: 2018/OHSAS 18001 certification, accounting for

of the total

In 2022, Fuyao Glass completed two rounds of EHS cross-audit of its subsidiaries, rectified hidden dangers

and identified

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highlights for improvement, ensuring the Company's workplace safety.

Becoming a Green Pioneer and Conserving the Global Ecology

Safety awareness promotion

At Fuyao Glass, we strive to make safety culture a part of our employees' DNA. To achieve the goal, we organize meetings to promote safety awareness, prioritize safety in our daily operations with the belief that "Life is paramount", and strictly follow the *Provisions on Safety Training of Production and Operation* Units and the *Safety Education and Training Management Regulations*. In 2022, we provided comprehensive training programs, including "Safety Training for New Employees", "Safety Training for Driving Forklift" and "Identification of Environmental Factors and Risk Sources" to different types of employees, to enhance their awareness of safe operations and help to avoid potential risks.

Fuqing Decoration Held the EHS Review Meeting

On January 7, 2022, Fuqing Decoration held the EHS Review Meeting for 2021 (Planning Meeting for 2022), at which team leaders signed the "Letter of Safety Responsibility". The company's general manager said that all units should make greater efforts to improve workplace safety and implement Fuyao Glass's management philosophy of "Safety is the top priority", in order to deliver satisfactory results in work safety and environmental protection. The GM also noted that special emphasis should be placed on maintaining EHS standards in all new, upgraded and expanded projects and on promoting the internal compliance management.



Participants at the EHS Review Meeting

Emergency drills

Fuyao Glass has issued the *Emergency Management Regulations*, and standardized the management of the emergency response system. We conduct safety drills and training for all employees covering different types of emergencies, including fire evacuation, chemical leakage drills, rainstorm and flood prevention drills. These drills are designed to increase employees' awareness of potential emergency risks and enhance their ability to respond effectively. Our goal is to ensure workplace safety and protect employees' health and life in an all-round way.



Occupational health safeguards

At Fuyao Glass, we place a high value on our employees' health. In accordance with the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Measures for the Supervision and Management of Occupational Health of the Employer* and other applicable laws and regulations, the Company has improved its internal *Management of Labor Protection* and other relevant institutional documents, established clear guidelines for the provision of personal protective equipment(PPE). Our employees get appropriate PPE according to these standards and receive training on how to properly wear it to expand the usage at work.

Additionally, the Company has encouraged all the subsidiaries to adhere to the rule of "Three Simultaneities" in construction projects (simultaneous design, construction and operation of workplace safety facilities alongside the main project. We also maintain a hazard identification and evaluation table to track, identify, and assess hazard

Fuyao Glass introduced a new measure to safeguard occupational health

In 2022, the Company, considering the potential effect of the workshop environment on employees' health, provided noise-canceling earmuffs to its employees at the workshop to reduce the damage done to their health, and installed air-cooled air conditioners at their stations to provide a comfortable working environment and protect their physical and mental health.



sources that may be involved in production and operations.Our goal is to proactively forestall and address risks by implementing preventive measures at the source.

The Company has taken various measures to protect the health and safety of its employees and safeguarded their occupational health. These measures include providing notifications of occupational health status, monitoring occupational hazards, conducting occupational health exams, and providing on-site warnings.Our aim is to minimize occupational hazards and continuously improve the work environment through on-site quarantine, elimination and replacement methods. All the subsidiaries are required to inform their employees of occupational hazards and conduct regular evaluations on occupational illness risk, in order to fully protect employees' health and safety. In 2022, 100% of our sites and venues received risk evaluations on employees' health and safety.



Fuyao Glass Purchased Noise-Canceling Earmuffs from PPE Suppliers

Prioritizing Ouality to Become a Loval Partner to Our Global Customers

Improving Talent Development

At Fuyao Glass, we believe in empowering our employees and help those with ambition and capability to grow together with the Company. We strive to build a systematic, diversified and all-inclusive talent development system to provide clear career growth paths and help employees reach their full potential. Our goal is to create strong talent pools through helping employees grow into capable and gualified talents.

Employee promotion

Fuyao Glass has established sound and reasonable promotion mechanisms, implemented the business philosophy of "Tapping into the full potential of talents," and taken a development-oriented and performance-driven approach. To ensure fair and reasonable talent development, the Company has created two career paths for management and professional roles, and further optimized the selection system for identifying and developing young leaders. We aim to create a supportive environment where all types of talent can thrive and make meaningful contributions.

We have introduced and updated a series of internal policies including the Regulations on Cadres Management and the Regulations on Performance Incentives, built fair and just performance evaluation mechanisms, and clarified the basic requirements for promotion, qualifications for target positions and the approval processes. Our goal is to create a complete and sustainable promotion system that supports the continued growth and success of the Company. In 2022, 100% of employees at Fuyao Glass received regular performance evaluations.

Employee training

Fuyao Glass attaches great importance to talents. We have established the Fuyao School of Management based on our business operations and the potential of employees. We've also continuously improved our internal training system and provided guidance for subsidiary training programs, allowing employees to deepen their specialized knowledge and enhance their professional skills. Additionally, we encourage our employees to pursue their individual learning goals, helping them both to drive corporate growth and to realize their personal potential.

In 2022, Fuyao Glass took steps to support employees' career growth by continuously improving diverse career paths. In terms of professional career path, we established qualifications and standards in the technical field, organized review meetings, and published the Management Regulations on Review of Professional Qualifications, to provide clear mobility channels and ranks. In terms of management career path, we selected and empowered candidates for leadership roles: we trained and empowered middle management and selected senior management. Additionally, we improved the talent development system, providing targeted training for different groups of employees, including reserve leaders, reserve college students and R&D personnel. We also developed personal development plans for high-potential talent including training sessions, practice opportunities and job rotation.

Fuyao Glass Held the Professional Skills Competition

Fuyao School of Management co-hosted the Fuyao Glass Craftsmanship Cup Professional Skills Competition with Fuyao Automotive Glass Group and Fuyao Float Glass Group from June to October 2022. Ten events were set up in the competition. After more than 40 trials that attracted 800 contestants, the winners (seed players) from the subsidiaries were selected to compete in the final.

During the competition, contestants worked with technical experts to sort out more than 400 best practices around key processes, accelerating the codification of knowledge and laying a solid foundation for future talent cultivation and experience inheritance.



Professional Skills Competition Site



Fuyao Glass Put Its First LCIA Practical Training Base into Operation

On October 20, 2022, the first LCIA (low-cost intelligent automation) practical training base of Fuyao School of Management was put into operation in Guangzhou Automotive Glass. An LCIA training course were also held. LCIA means using simple, reusable materials to achieve "big improvements and high returns at a low cost and investment". These improvements solved the following problems including heavy workload for employees, insufficient space for materials, foolproof planning, and equipment maintenance issues. They greatly improved the safety, quality and efficiency on site, reduced the cost, and alleviated the work burden of employees. In this way, the Company explored new models for lean manufacturing.

Fuyao Glass Conducted the All-Round Teacher Training Program

To train more capable teachers in an all-round way and improve the training management system, Fuyao Glass launched a number of teachers training projects, including the Dandelion Plan – TTT Seed Training, the Micro-Course Developer Training Camp and Micro-Course Competition. and the Lean Six Sigma Green Belt Training Program for Internal Trainers. As of 2022, we trained 115 teachers, developed 89 micro-courses on basic knowledge of HR, finance, lean management, information, audit, development, technology and office, and created 57 full-fledged courses on essential knowledge for different roles. These efforts promoted the inheritance of the Company's best practices, spurred the growth of highly skilled personnel, and provided talent and learning resources support to improve corporate performance.



LCIA Practical Training Base



TTT Seed Training

Resnonsihility Highlights in 2022 Management

Becoming a Green Pioneer and Conserving the Global Ecology

Training of Employees at Fuyao Glass in 2022



Total training h	nours by ranks	Total training hours by gender		
Top management	641.39			
Middle management	7,840.63			
		Male	Female	
General Employees	427,211.88	352,264.69	83,429.21	





Taking Care of Employees

At Fuyao Glass, we pursue a people-oriented approach in everything we do.We take concrete actions to address the concerns that matter most to our employees and strive to meet their aspirations for a better life, so that they are happy at work and have a greater sense of belonging.

We have published the Regulations on Employee Assis*tance* and created a complete assistance mechanism. We lend a hand to those who are trapped in financial difficulties because of serious accidents or illnesses and offer

Fuyao Glass Held Colorful Activities to Celebrate the Dragon Boat Festival

During the Dragon Boat Festival in 2022, the subsidiaries of Fuyao Glass conducted colorful and innovative celebratory activities. Not only did employees feel the cultural allure of traditional Chinese festivals, they also felt the Company's care and support.

Hubei Automotive Glass held a series of cultural activities themed "Passion of Dragon Boat Festival" in the staff canteen. Employees and their families made Zongzi, a type of sticky rice dumpling, and played games such as ringtoss and pot throwing.





Fuyao Glass Held Celebratory Activities on International Women's Day

To groom more capable female employees, care about their daily life, and stimulate their enthusiasm and devotion, we held a series of interesting activities such as "Fashion Aesthetics", "Yoga Workshop" and "Forest Flower Arrangement" during International Women's Day in 2022. We wanted to make our female employees'life more lively while relieving their work pressure.



Poster of Women's Day Activity

them subsidies and essential support to show our compassion. Our aim is to improve the living standards and overall happiness of our employees. In 2022, we helped 10 employees in need and gave 910,000 yuan in total.

We believe in fostering a positive corporate culture that feels like home to our employees. To achieve this, we organize a range of cultural activities designed to help our employees relieve stress, feel a stronger sense of belonging, and cultivate a harmonious work environment.

Suzhou Automotive Glass held a Zongzi making activity themed "Feeling the Passion of Dragon Boat Festival, Inheriting Traditional Culture and Sharing the Happiness of Zongzi Making" on its basketball court. The General Manager and the HR Department, along with the canteen staff, sent the Zongzi made by employees and their families to the front-line workers in the factory.

Fuzhou Automotive Mold held the Third *Zongzi* Love Factory Roundabout Marathon, and the General Manager led 150 runners to the track.



Colorful Celebratory Activities at Fuyao Glass



"Forest Flower Arrangement" Activity on Women's Day

Becoming a Green Pioneer and Conserving the Global Ecology

The environment constitutes the foundation of human survival and development. As a leading automotive glass supplier in the world, Fuyao Glass actively follows a green and low-carbon path, takes steps to tackle climate change, conserves energy and resources, and promotes a green and low-carbon transition in its business. Guided by the philosophy of "Ecology first and green development", we have implemented green production and operation processes, and leveraged product innovation and technology to enable the development of green products. Our goal is to contribute to China's green transition while achieving high-quality and sustainable development.

Annual Highlights

- Received EcoVadis Gold Award
- Winning CDP's Environmental Leadership Award
- Installed renewable energy capacity reached 94MW, Electricity generation from renewable energy reached 91,936 MWh
- 23 sites and venues received an environmental risk assessment, accounting for 100% of the total



Addressing climate change

Fuyao Glass firmly grasps the opportunities brought by the national "dual carbon" strategy and the trend of the energy transition, leverages its position as a leading player in the automotive glass industry, and sets ambitious goals for reaching peak carbon emissions and carbon neutrality. The Company strengthens climate risk management, and identifies and responds to climate risks. Our goal is to contribute to the achievement of China's "dual carbon" strategic goals.

Climate change governance

Faced with severe challenges posed by climate change, Fuyao Glass continuously improves climate change governance. Thanks to our constant exploration in recent years, we have established a climate change governance structure with the Board of Directors serving as the highest governing body responsible for overseeing the Company's efforts in this regard. Moreover, we have established a greenhouse gas management committee to make overalldecisions on climate-related strategies, plans and objectives. We cooperate with all the business units and functional departments to implement climate-related decisions across the board.



Structure of Greenhouse Gas Management Committee at Fuyao Glass

Fuyao Glass headquarters and its subsidiaries have also established incentive mechanisms to encourage energy efficiency and reduction of emissions, and linked climate change response with the performance of entire departments and employees, with the aim of promoting energy conservation and emissions reduction from various perspectives. We develop KPIs for all departments and factories every year, which cover comprehensive power consumption, total energy consumption, greenhouse gas emissions per unit of product, energy conservation and consumption reduction. Additionally, we require all departments and factories to conduct process control, analysis and improvement of their KPI performance. Our goal is to improve our capacity for climate governance on an ongoing basis.

Climate change risks and opportunities

Fuyao Glass attaches great importance to the impact of climate change on its development. We follow the information disclosure framework provided by the Task Force on Climate-related Disclosures (TCFD) and systematically assess our operations and our upstream and downstream value chains for climate risks and opportunities. Based on these assessments, we develop plans and actions to address climate change and continue to build our capacity for adaptation.

Climate risk identification and response of Fuyao Glass

Risks	Risk identification	Risk responses
Policy and reg- ulatory risks	 National laws and regulations restrict the energy consumption during production, for instance, setting the entry limit, maximum limit and advanced limit of overall energy consumption per product for flat glass producers. The failure of the Company to qualify the standards will be subject to compliance risk. Under the national target of "Dual Carbon", the government sets the dual control target: total energy consumption and energy consumption intensity as an index to reject the Company if its energy target fails to meet the standard in terms of financial incentives and support policies, which will have a significant negative impact on their production and finance. 	 Actively co-author industrial standar and create a product R&D and interr control system above national and dustrial standards as a strategy to in prove the competitive advantage.
Technol- ogy risks	 The profitability of the Company depends on its ability to respond to the automotive industry's rapid technological shifts toward high-performance glass products, especially those caused by climate issues. If the Company fails to keep developing new products, the former high value-added products will be widely used and become common products. That may lead to a reduced average selling price, declined demands, and even the risk that common products will become obsolete. Consumers' demand for safe and energy-efficient products is on the rise. The Company's failure to fully consider the environmental friendliness and energy efficiency in technical management and product design, and to integrate performance, manufacturing, and safe and energy-saving technologies will lead to reduced demands. 	 Closely monitor and identify technolocical risks, fully recognize the importan of high-performance products to me customer needs and achieve environ mental friendliness, and research technologies. Consider the patent protection on t environmental performance of produin the legal risk assessment of climatic change.
Market risks	 The profitability of the Company depends on its ability to respond to the automotive industry's rapid technological shifts toward high-performance glass products, especially those caused by climate issues. If the Company fails to keep developing new products, the former high value-added products will be widely used and become common products. That may lead to a reduced average selling price, declined demands, and even the risk that common products will become obsolete Consumers' demand for safe and energy-efficient products is on the rise. The Company's failure to fully consider the environmental friendliness and energy efficiency in technical management and product design, and to integrate performance, manufacturing, and safe and energy-saving technologies will lead to reduced demands. 	 Establish a dedicated R&D team, form lates project management rules; sta product R&D after the scheme is co firmed and declared, and invest mass money to purchase manufacturing a testing equipment in an effort to sati the requirements of customers and t market. Continuously improve the Company's e ergy efficiency and build green factorie Continue the investment in R&D and co velop high-added products Incorporate green standards for emening industries into the ESG risk manag- ment system.
Reputa- tion risk	 Failure to build the brand image of green products will reduce the opportunities for international cooperation, response to the national green manufacturing system, and preferential policies. 	 Actively apply for green manufacturi projects and respond to the natior strategy of green development.

Climate change indicators and objectives

Reco

Climate change is one of the biggest challenges to humanity. Fuyao Glassaims to reduce its carbon footprint and help build a more sustainable future through its own efforts. In 2022, werefinedour climate change response strategy, set more ambitious climate goals, and established clear timelines for achieving carbon neutrality across the Group and the supply chains. We remain dedicated to leading our industry toward a low-carbon and sustainable future.



Emissions reduction targets of Fuyao Glass

In recent years, Fuyao Glass has actively carried out carbon footprint verification, made clear the organizational boundaries of its greenhouse gas emissions, and gained a deeper understanding of its own emissions. We have launched awareness campaigns on energy conservation and consumption reduction and conducted carbon footprint training, in order to improve an overall sense of responsibility in reducing emissions. The Company has also improved its carbon management by implementing more efficient carbon management measures, including carrying out regular energy audits and reviews, upgrading existing technologies, building an energy consumption

GHG emissions and d

	Automotive glass			Float glass		
	2022	2021	2020	2022	2021	2020
Scope I: Direct emissions (in tonnes of CO ₂ eq)	10,605.46	8,055.98	7,839.37	821,732.47	677,047.93	612,139.68
Scope 2: Indirect GHG emission (in tonnes of CO ₂ eq)	848,113.55	966,531.92	861,201.05	204,406.98	181,046.08	167,772.61
Total GHG emission (in tonnes of CO2eq)	858,719.01	974,587.90	869,040.42	1,026,139.45	858,094.01	779,912.29
Total emission density	0.0059 tonnes of CO ₂ eq / m ² of product	0.0085 tonnes of CO ₂ eq / m ² of product	0.0083 tonnes of CO ₂ eq / m ² of product	0.35 tonnes of CO ₂ eq / tonne of product	0.30 tonnes of CO ₂ eq / tonne of product	0.60 tonnes of CO ₂ eq / tonne of product

3 The calculation of GHG emissions is based on the Guidelines for Accounting and Reporting of GHG Emissions by Chinese Flat Glass Manufacturers (for Trial Implementation) issued by the National Development and Reform Co China, which is calculated from the use of gasoline, diesel, natural gas and purchased electricity. The GHG emission coefficients for electricity consumption are calculated with reference to 2012 China's Regional Grid Average Carbon Dioxid Factor

	Risks ty	pes: physical risks
Risks	Risk identification	Risk responses
Acute risks	 Typhoons, extreme rainfall, and other extreme weather interrupt the Company's routine production and operation business. As the factories in Fujian, China is highly vulnerable to typhoon, the escalated typhoon in Fujian headquarters or factory will result in mechanical loss and power interruption, which will increase the operating cost or capital expenditure, and create the risks of decision lag. The delayed delivery of raw materials and products caused by climate impact will result in the risk of customers' suspension. 	 Identify and evaluate the incident risks in the operation site, office, living quarters and the surrounding headquarters and factories in Fujian; enhance the ability to respond to emerging risks, and standardize the ways to prevent and deal with workplace safety incidents. Improve the overall emergency level of the Company, produce emergency processes and organizational system, establish emergency headquarters, and prepare Emergency Plan for Workplace Safety Incidents. Irregularly review the emergency plan for environmental events, and specify annual drills to ensure the safety of personnel and minimize financial losses in case of emergency. Formulate the Special Emergency Plan for Typhoon Prevention, proposes different response measures to the yellow, orange and red alarms classified by the weather station; adjust security inventory, delivery plan, transportation emergency measures, etc., so as to ensure that the product supply will not be significantly affected, the supply chain will not be interrupted and the Company will not have major financial losses. Establish production bases around major customers to minimize the risk of extreme climate impact on the supply chain.
Chronic risks	• The factories in Fujian, China is highly vulnerable to the typhoon. Climate change may increase floods and rainstorms, affect the Company's business status, aug- ment operation and maintenance costs and reduce the service life of assets.	 Produce an emergency mechanism covering environmental emergencies, such as natural disasters, accidents, etc. Set up an emergency leading group to take preventive measures for factors that may lead to emergencies, evaluate the degree of possible harm and take countermeasures based on the results of emergencies monitored.

In addition to addressing risks brought by climate change, we also take practical steps to unlock its opportunities. As our customers, consumers and investors become increasingly conscious about climate change and have growing low-carbon demands, Fuyao Glass actively fulfills its climate responsibility, promotes the application of low-carbon technology, develops green products, and gradually establishes sustainable supply chains. In this way, we gain extensive recognition from customers and the public while improving our brand image. Additionally, we follow the national energy efficiency standards, improve energy efficiency through green production processes, reduce the cost through subsidies from direct electricity purchase, improve product competitiveness, and create more economic value.

monitoring system, installing combined cooling, heating and power (CCHP) systems, and continuously optimizing supply and demand management of product and resource to improve energy efficiency during production and operation. In addition, the use of distributed photovoltaic systems helps to significantly lower carbon emissions from factories through the use of renewable energy. In 2022, Fuyao Glass avoided emitting 204,303.36 tonnes of CO₂ equivalent of greenhouse gases through measures such as self-built photovoltaics power generation, waste heat power generation, purchase of electricity generated from renewable sources, and renewable energy certificates.

density d	luring	2020	~	2022 ³
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Becoming a Green Pioneer and Conserving the Global Ecology

Implementing Low-carbon Operations

At Fuyao Glass, we use energy and resources reasonably and continuously improve the management of energy, water resources, raw materials and packaging as part of our efforts to protect the environment and save resources. By employing innovative technologies, strengthening production management, and optimizing production processes, we significantly reduce energy and water consumption, improve the use and reuse rate of raw materials and packaging, minimize the waste of natural resources, and realize the intensive use of resources. We aim to drive the green transformation and upgrading of our business.

Energy management

Fuyao Glass abides by the Energy Conservation Law of the *People's Republic of China,* the *Administrative Measures* for Energy Conservation of Key Energy Users, and the Administrative Measures for Industrial Energy Conservation. The Company has developed the *Management Procedures* of Energy Operations, the Management Procedures of Monitoring and Measurement, and the Administrative Provisions on Energy Conservation and Environmental Protec*tion*. We have also established the Energy Management Committee to oversee and continually improve our energy management system. Additionally, the Company has set energy performance goals, created targets and project



President

Greenhouse gas emissions and avoidance at Fuyao Glass in 2022					
Total GHG emissions	1,884,858.46 tonnes of CO₂eq				
GHG emissions per 10,000 yuan of output	0.6953 tonnes of $CO_2 eq/10,000$ yuan of output				
Net GHG emissions	1,858,805.33 tonnes of CO ₂ eq				
Net GHG emissions per 10,000 yuan of output	0.6857 tonnes CO₂eq/10,000 yuan of output				

Resnonsihility

Management

Fuyao Glass Held the "Carbon Neutrality and ISO 14064:2018 Greenhouse Gas Inventory Verification Training"

On September 22, 2022, Fuyao Glass held the opening ceremony of "2022 Fuyao Glass Carbon Neutrality and ISO 14064:2006 Greenhouse Gas Inventory Verification Training". The Company's Vice President, directors of business and functional departments, and heads of the carbon neutrality program took part in the event through a mix of online and offline channels. The total attendance reached 170.

Aiming to reach carbon neutrality not only improved the Company's competitiveness, but also showed its commitment to corporate social responsibility. During this training session. participants learned how to quantify the Company's GHG emissions, conduct research into its carbon footprint, and independently write reports on internal GHG verification and product carbon footprint. The trainees would obtain the Internal Auditor Certificate if they passed the test. Together they could contribute to reaching carbon neutrality at Fuyao Glass.



Fuyao Glass Carbon Neutrality Program Training

Fuging Automotive Glass Launched Energy Conservation Publicity Week Activities

From June 13-19, 2022, Fuqing Automotive Glass conducted a series of activities to mark the energy conservation publicity week under the theme of "Green and Low-Carbon, Energy-Saving First". The company launched awareness campaigns on energy conservation and carbon emissions reduction by making creative e-posters and distributing guestionnaires about "Energy conservation and consumption reduction". In addition, the company encouraged its employees to submit proposals on "Energy conservation and consumption reduction" and select the best efficiency improvement projects, hoping to shift its employees' attitude from passive energy-saving and proactive energy-saving. The publicity week helped heighten employees' awareness of energy conservation and carbon emissions reduction, promoted the green and low-carbon lifestyle, and created a robust atmosphere of energy-saving and carbon reduction.



Energy-Saving First"

plans for cost reduction and efficiency improvement, and followed up on the progress in real time, in order to determine how many energy-saving targets were met and to ensure that energy conservation and consumption reduction measures can be implemented in all stages of production. The Company has also carried out efficiency improvement projects to reduce the consumption of power, water and materials, led the efforts to identify quality and efficiency improvement projects every year, set energy conservation and emissions reduction targets, followed up on these projects, and rewarded the subsidiaries and project teams that achieved the goals.

Structure of the Energy Management System/Energy Management Committee

ESG Performance

Resnonsihility Highlights in 2022 Management

Fostering Operational Integrity to Build a Globally Respected Brand

Prioritizing Ouality to Become a Loval Partner to Our Global Customers

and Becoming a Global Best Employer

Becoming a Green Pioneer and Conserving the Global Ecology

Fuvao Glass has developed cost reduction and efficiency improvement plans and clean energy use plans, vigorously promoted the use of energy-saving technologies and equipment, optimized the production processes and energy structure, introduced digitallyenabled energy management, and increased the uptake of renewable energy. Our goal is to promote environmental protection and sustainable resource utilization while improving economic benefits. In 2022, Fuyao Glass consumed 5,714,549.54 MWh of power. The installed capacity of renewable energy reached 94MW, and the electricity generation from renewable energy stood at 91,936 MWh. In total, 11,298.93 tonnes of standard coal were saved.



Data of energy consumption (2020-2022)

		Automotive glas	S	Float glass		
	2022	2021	2020	2022	2021	2020
Natural gas(MWh)	39,416.74	27,582.66	27,135.11	4,065,730.79	3,344,021.20	3,010,915.09
Diesel (MWh)	9,088.98	9,160.27	8,627.48	15,899.19	17,676.12	25,522.01
Gasoline (MWh)	1,143.84	378.89	435.31	156.11	0.00	0.00
Total direct energy consumption (MWh)	49,649.55	37,121.82	36,197.91	4,081,786.09	3,361,697.32	3,036,437.10
Direct energy consumption intensity	3.39 MWh/ 10,000 m ² of product	3.25 MWh/ 10,000 m ² of product	3.47 MWh/ 10,000 m ² of product	1.40 MWh/ tonnes of product	1.19 MWh/ tonnes of product	2.35 MWh/ tonnes of product
Purchased electricity (MWh)	1,289,279.94	1,419,908.80	1,265,169.75	293,833.96	265,970.44	246,470.70
Total indirect energy consumption (MWh)	1,289,279.94	1,419,908.80	1,265,169.75	293,833.96	265,970.44	246,470.70
Indirect energy consumption intensity	87.91 MWh/ 10,000 m ² of product	124.29 MWh/ 10,000 m ² of product	121.13 MWh/ 10,000 m ² of product	0.10 MWh/ tonnes of product	0.09 MWh/ tonnes of product	0.19 MWh/ tonnes of product
Total energy consumption (MWh)	1,338,929.49	1,457,030.63	1,301,367.66	4,375,620.04	3,627,667.77	3,282,907.80
Total consumption intensity ⁴	91.30 MWh/ 10,000 m ² of product	127.54 MWh/ 10,000 m ² of product	124.59 MWh/ 10,000 m ² of product	1.50 MWh/ tonne of product	1.28 MWh/ tonne of product	2.55 MWh/ tonne of product

⁴The use of renewable energy has not been included when calculate the density of total energy consumption

Fuyao Glass Introduced Intelligent Energy Management Systems

While improving its own energy management system, Fuyao Glass has constantly constructed and refined intelligent energy platforms to achieve the functions of online monitoring of power data, maximum demand management and energy use optimization, so that optimal resource allocation, efficient energy utilization, and environmental protection are ensured. In 2022, we built an intelligent energy management system for Fuging Automotive Glass and Shenyang Automotive Glass, respectively. We hoped to identify energy-saving opportunities with the aid of the management system, efficiently carry out targeted energy-saving transformation, and increase energy efficiency in production and operation while improving automation levels.





Shanghai Automotive Glass 7.5MW/22.5MWh Energy Storage Plant

Fuyao Glass Launched the Waste Heat Recovery Project

Fuyao Glass attaches great importance to the effective use of thermal energy in the production process and makes constant efforts to introduce waste heat recovery technologies, hoping to improve the energy efficiency of the production system. In 2022, Guangzhou Automotive Glass completed the Centrifugal Air Compressor Comprehensive Waste Heat Recovery Project. It used waste heat instead of electricity to boil water and sup-

Fuyao Glass Promoted the Application of Renewable Energy



Photovoltaic project at Shenyang Automotive Glass



Management Platform

In 2022, Shanghai Automotive Glass launched the 7.5MW/22.5MWh energy storage project aimed at improving energy efficiency and minimizing carbon emissions while ensuring the continuity of power supply. The project used the bidirectional charging and discharging strategy and employed "peak shaving and load shifting" to lower the power cost and reduce the pressure on power grid during peak demand periods. It also built back-up power systems to increase the reliability of power supply and grid stability.

plied it to the workshop washing machine and dehumidifier. Additionally, we installed waste heat power generation equipment to recover the waste heat in the flue gas generated in the production process. In 2022, Fuyao Float Glass generated 66,279,300 kWh of electricity using waste heat recovery. In this way, we have built a green and low-carbon mode of production.

Fuyao Glass makes the application of renewable energy an important strategy for its future development, and actively promotes the construction of renewable energy projects such as photovoltaics and hydropower to promote a low-carbon and green working environment. In 2022, the Company continuously increased the proportion of renewable energy in its production processes and completed the second phase of photovoltaic project at Shenyang Automotive Glass, which could reduce 777 tonnes of CO2 equivalent annually. At Shanghai Sedan, 61% of our production processes used hydropower. Going forward, we will make greater efforts to build renewable energy projects and strive to create a cleaner and low-carbon future.

Water management

At Fuyao Glass, we recognize the value of water as a scarce and precious resource. We take our responsibility to use and manage water resources seriously and reduce its waste while minimizing the impact on the environment and saving costs. To achieve this, we have formulated an annual water-saving plan, and regularly measured and analyzed industrial and domestic water consumption.We fully utilize water-saving equipment and update water-saving technologies to maximize efficiency. Our goal is to fully tap into our potential of water conservation.

Fuyao Glass's water efficiency target

Fuyao Automotive Glass	Fuyao Float Glass
Less than 0.03 ton of water consumption per square meter of products by 2030	Reduce the water consumption per ton of products by 30% on the basis of 2019 by 2030

Total water consumption and intensity (2020-2022)

	Automotive glass			Float glass		
	2022	2021	2020	2022	2021	2020
Total water con- sumption (tonnes)	4,747,762.18	5,320,530.82	4,830,832.76	1,051,144	990,227	1,049,604
Water consumption intensity	0.03 tonnes/ m ² of product	0.05 tonnes/ m ² of product		0.36 tonnes/ tonne of product		0.81 tonnes/ tonne of product

Fuging Automotive Glass Built a Wastewater Treatment and Recycled Water Reuse System

Fuging Automotive Glass made full use of the Recycled Water Reuse System to purify the wastewater from the washing and polishing processes. The wastewater was first discharged into the treatment station through the sewage pipes and then cleaned and recycled. The system turned waste into resources, and achieved the dual goals of environmental protection and resource utilization. In 2022, the total amount of sewage recycled by Fuging Automotive Glass reached 1,910,177 tonnes, reducing the consumption of fresh water.

Resource utilization management

At Fuyao Glass, we arecommitted to maximizing the effective utilization of raw materials and packaging to achieve both economic benefits and environmental sustainability. The Company attaches great importance to resource and material utilization throughout a product's life cycle. We have greatly reduced the waste of raw materials through scrap recycling. Fuyao Automotive Glass makes full use of scrap glass and PVB cutoffs in production. The recovery rate of raw materials (broken glass) in 2022 was 26.53%. Fuyao Float Glass has optimized its mixture technique to recycle broken glass. Additionally, Fuyao Glass has established a unified management system for packaging, encouraged its subsidiaries to build packaging optimization teams, improved the product packaging designs, and developed a packaging use plan, to ensure proper management and use of packaging materials.

	Automotive glass			Float glass		
	2022	2021	2020	2022	2021	2020
Wood cases (tonnes)	21,348.21	20,228.13	22,173.96	1,502.51	1,574.19	918.13
Paper cases (tonnes)	34,385.27	31,935.24	26,597.20	25.36	24.55	0.25
Total packaging ma- terial consumption (tonnes)	55,733.48	52,163.37	48,771.16	1,527.87	1,598.74	918.38
Packaging material consumed per unit of production	3.79 ons/ tonnes/10,000 m ² of product	4.57ons/ tonnes/10,000 m ² of product	4.67ons/ tonnes/10,000 m ² of product	5.25tonnes/ 10,000 tonnes of product	5.66tonnes/ 10,000 tonnes of product	7.12tonnes/ 10,000 tonnes of product

Fuyao Glass Conducted Packaging Design Optimization

In 2022, Fuyao Glass carried out the optimization of carton packaging designs. Through continuous innovation and improvement, the Company provided its clients with more environmentally friendly and practical product packaging and protected the environment and natural resources to the great extent.

Guangzhou Automotive Glass used rack packaging to reduce the spacing between products and improve the single-case loading rate while keeping the product safe from damage during transportation. It also developed a new packaging style to replace the old foam trays, in order to improve the loading rate, reduce the use of packaging material, and reduce the cost. The project was estimated to save 2.36 million yuan annually.

Fuging Automotive Glass updated the packaging style for small-size products from double-row to four-row arrangement, and removed the flat pad and PET inner lining, reducing the packaging cost and use of material. The product loading rate grew by 13.5% and packing efficiency by nearly 50%.

FYSAM Strengthened the Waste Recycling Philosophy

FYSAM has continuously improved its waste treatment processes, adhered to the "3R" concept of reduce, reuse and recycle, carried out regular training on the sustainable use of waste, promoted the waste treatment concept to new employees, and pursued a circular economy. In disposing of waste aluminum, Fuyao Aluminum first sorted out large skimmings and scraps and then classified them. It also improved the procedures of selling waste aluminum, increasing its utilization efficiency while achieving higher economic benefits.



Less Spacing Between Products



Packaging Style After Optimization

ESG Performance Responsibility Highlights in 2022 Management

Fostering Operational Integrity to Build a Globally Respected Brand

Prioritizing Quality to Become a Loval Partner to Our Global Customers

and Becoming a Global Best Employer

Becoming a Green Pioneer and Conserving the Global Ecology

Reducing the environmental impact

The environment constitutes the foundation of human survival and development. At Fuyao Glass, we are guided by the philosophy of "Clear waters and lush mountains are our invaluable assets" and remain dedicated to promoting sustainable development through concrete actions. To this end, we have established a sound environmental management system, regularly evaluated our environmental impact, and continuously enhanced environmental management to avoid any adverse impact on the environment.

Environmental management system

Fuyao Glass fully implements the national and local policy requirements on environmental protection, continuously improves the environmental management system, and encourages all subsidiaries to establish environmental management systems that align with our headquarters' standards and their unique conditions. Additionally, we actively pursue green factory certification, further enhance our market competitiveness by building more green factories, and promote green industrial upgrading. By the end of 2022, 12 of our factories obtained the green factory certification, and 23 of our main business subsidiaries passed the ISO 14001:2015 environmental management system certification.

At Fuyao Glass, we actively shoulder corporate environmental responsibility by reducing environmental pollution and managing waste. We're doing everything we can to minimize our environmental impact in daily operations. We comply with the Environ*mental Protection Law of the People's Republic of China,* the *Law* of the People's Republic of China on the Prevention and Control

By the end of 2022

12 factories obtained the green factory certification

Fuyao Automotive Glass

Wastewater discharge from producing one square meter of product will be reduced by

by 2030 compared to 2019 levels.

Hazardous waste generation from producing one square meter of product will be reduced by

by 2030 compared to 2019 levels.

of Air Pollution, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the Law of the People's Republic of China on the Prevention and Control of Pollution from Environmental Noise, the Law of the People's Republic of China on the Prevention and Control of Soil Pollution, and other applicable laws and regulations. In addition, we've developed a series of management measures, including the EHS Management Manual, the Management Regulations on Environmental Protection, and the Review Procedures of Environmental Management. Additionally, we've set waste management objectives, conducted environmental pollution control and waste discharge management, regularly monitored major pollutants, wastewater, exhaust gas and noise, and continuously improved our emergency response mechanisms for environmental emergencies. and continuously improve the level of operational environmental protection. Our goal is to further balance our business operations with environmental conservation.

main business subsidiaries



Waste Discharge Targets of Fuyao Glass

	Automotive glass					Float glass	
		2022	2021	2020	2022	2021	2020
	Wastewater (10,000 tonnes)	349.86	331.56	230.42	12.81	18.46	57.35
Wa	COD (tonnes)	99.14	68.13	186.39	3.30	28.69	1.42
Wastewater	Ammonia nitro- gen (tonnes)	17.55	5.07	6.06	0.09	0.14	0.08
	TSS (tonnes)	57.68	97.95	81.08	2.60	5.26	1.42
	SO ₂ (tonnes)	0.09	0.38	0.74	748.93	744.49	718.53
Waste gas	NO _x (tonnes)	1.21	2.76	1.3	1,515.99	1,546.77	1,465.78
	PM (tonnes)	1.22	2.96	1.95	69.61	94.12	77.62
	Total hazardous waste (tonnes)	1,742.93	1,474.6	1,428.33	82.32	206.4	57.76
Solid waste	Density of haz- ardous waste	0.12 tonnes/ 10,000 m ² of product	0.1 3tonnes/ 10,000 m ² of product	0.14 tonnes/ 10,000 m ² of product	0.28 tonnes/ 10,000 tonnes of product	0.73 tonnes/ 10,000 tonnes of product	0.45 tonnes/ 10,000 tonnes of product
	Total non-hazard- ous waste (tonnes)	10,129.96	141,094.94	108,627.32	2,676.51	3,229.84	1,295.34
	Density of non-hazardous	0.69 tonnes/ 10,000 m ² of product	12.35 tonnes/ 10,000 m ² of product	10.4 tonnes/ 10,000 m ² of product	9.19 tonnes/ 10,000 tonnes of product	11.43 tonnes/ 10,000 tonnes of product	10.04 tonnes/ 10,000 tonnes of product

Total pollutant emission (2020-2022)

Fuyao Glass's management of different emission and discharge sources

Туре	Source	Measures
Wastewater management	• Wastewater from the pro- duction process, Initial rain- water, Domestic sewage	 Wastewater treatment equipment should be concurrently designed, constructed and put into production alongside production equipment The wastewater generated by each post is discharged into the reclaimed water reuse and treatment facility of each subsidiary through the sewage pipeline. After treatment, it is discharged into the municipal sewage pipe network after passing the inspection of wastewater indicators by the automatic detection device with manual detection data. If the effluent does not meet the standard, the production should be suspended and the sewage should be discharged into the emergency pool Implement real-time monitoring of water quality, actively develop and improve water recycling technology, reduce wastewater discharge and immediately suspend production if there is an abnormality Timely manage, maintain and inspect the wastewater treatment facilities, and make records Spot check the wastewater regularly or irregularly, formulate response plans for abnormal conditions, and entrust qualified companies to test the production wastewater and domestic wastewater
Waste gas management	 Organic waste gas generated by glass deep processing, printing and drying process Oil fume and waste gas from the canteen 	 Waste gas treatment equipment and production equipment should be concurrently designed and put into production alongside production equipment Each subsidiary should strengthen the treatment and monitoring of the waste gas generated by production, the monitoring indicators and frequency should be stricter than the local standards, and the waste gas treatment facilities should meet the requirements of the Local Environmental Protection Bureau Subsidiaries using activated carbon and UV photolysis waste gas treatment equipment should replace activated carbon and catalyst regularly, in full and in sufficient quantity according to the equipment design parameters Use the no-methane hydrocarbon online monitoring system and connect with the local environmental management department to record the operation of the equipment in real-time Regularly monitor the waste gas discharged from kitchen equipment to ensure compliance with regulations and standards
Noise management	 Cutting machine, washing machine, printing machine and other production facil- ities Noise generated during standby operation 	 Regularly inspect the working environment and boundary noise according to the Standard for Noise at Boundary of Industrial Enterprises Take measures to effectively control the noise in the area beyond the acceptable level (for example, take targeted measures such as shock absorption, sound insulation and noise elimination according to the noise principle)
Waste management	 General industrial solid wastes such as packaging surplus materials and lefto- ver materials Waste liquid packaging container, waste lamp tube, spraying waste liquid, wiping waste gauze, waste activated carbon and other hazardous wastes 	 Hazardous waste management should be implemented in accordance with the Provisions on Chemical Management, and general solid waste should be implemented in accordance with the Provisions on Waste Classification and Waste Disposal Hazardous wastes and general solid wastes should be handled by qualified contractors and disposal records shall be kept Regularly review the qualification of the contractor for the disposal of hazardous wastes and general solid wastes, and regularly and irregularly review the contractor's waste disposal process to ensure the correct disposal of wastes in accordance with laws and regulations and contract requirements

Fuging Float Glass Upgraded the Flue Gas Treatment System of Its Glass Furnace

Following the renovation of the third-line glass furnace project, Fuging Float Glass upgraded the flue gas treatment system of its first-line glass furnace in 2022. The new system, using ceramic catalytic cartridge filters, integrated the desulfurization, denitration and dust removal features. With a simple structure, stable performance and high treatment efficiency, the system emitted an ultra-low amount of pollutants, reguired low operating costs, enjoyed a long service life. Moreover, it used mature technologies and advanced techniques so the air pressure within the furnace was unaffected. The flue gas emission after treatment was less than or equal to 10 mg/m³, and the removal rate of sulfur dioxide and nitrogen oxides reached more than 95%, both outperforming the national emission

standards of air pollutants for flat glass manufacturers. In the near future, Fuging Float Glass will start the upgrading of its second-line flue gas treatment facilities so that all the three production lines are equipped with efficient and outstanding pollutant treatment equipment.



Environmental risk management

At Fuyao Glass, we place a high value on environmental risk management. We comply with the Environmental Impact Assessment Law of the People's Republic of China, the Notice of Issuing the Interim Procedures for Emergency Plan for Environmental Emergencies, and the State Emergency Plan for Environmental Accidents. We've also developed the Management Regulations on Risk Assessment, the Environmental Factors Identification and Evaluation Form, and the List of Important Environmental Factors as part of our ongoing efforts to improve the environmental risk management system. We engage in active environmental risk and impact assessment, identify and evaluate



Integrated Desulfurization, Denitration and Dust Removal Facilities at Fuging Float Glass

the potential impact on the environment, and create effective environmental management measures to ensure the Company's long-term success. In 2022, 23 of our sites and venues conducted environmental risk evaluations, accounting for 100 of the total.

The Company prioritizes environmental conservation and carries out ecological assessment throughout a project's lifecycle, from site selection to business operation. By carefully evaluating the potential environmental impact of a project, we strive to better protect the environment and biodiversity.
Developing Green Products

Fuyao Glass invests heavily in R&D and innovation to develop green products, and strives to reduce its product's carbon footprint and environmental impact. We prioritize sustainability in product design, and continually refine our production processes, material selection and product design to develop efficient and environmentally friendly products. Additionally, we advocate the use of green products, increase customers' awareness of environmental protection, and jointly encourage a green and low-carbon lifestyle and work culture.

Environmentally Friendly Glass Products of Fuyao Glass

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Coated thermal insulation glass

The magnetron vacuum sputtering technique is employed in building the inner layer of laminated glass to prevent heat transfer, so that the vehicle can maintain comfortable temperatures at all time.The product can also significantly reduce glare during the night.

Coated heating glass

Multiple layers of nano-film are sputtered on the inner surface of glass to reflect infrared rays and achieve heat insulation. Electricity can pass through the metal film to heat the entire glass and defrost it.

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Super UV/IR cut glass

The interior of the glass is coated with organic-inorganic hybrid films that can absorb infrared rays and insulate ultraviolet rays. The hybrid films ensure no color difference in external appearance and anti-friction and anti-aging features. Specifically, the glass can insulate more than 85% of IR and more than 99% of UV. The product can also prevent the interior accessories from aging and the driver from sunburn, making the car more comfortable.



Coated Thermal Insulation Glass



Solar Roof Glass

Solar glass

the vehicle.

Lightweight glass

sound insulation thanks to the adding of PVB film.

Anti-fog glass

the air conditioning system and energy consumption.



Lightweight Aluminum Accessories





Lightweight Sunroof Glass

Advancing Together and Leading by Example in the Global Industry

At Fuyao Glass, we recognize the importance of suppliers and value their partnership. We strive to build a stable and mutually beneficial relationship with them.We incorporate sustainability into our supply chain management practices and hold our suppliers to international standards to establish responsible supply chains. Guided by the founder of Fuyao Glass, we undertake corporate social responsibility and pay back to our society by devoting ourselves to the manufacturing industry and participating in public benefit programs.

Annual Highlights

- 100% of our procurement employees completed the sustainable procurement training, 75.31% of our suppliers signed the Sustainable Procurement Charter
- **75.23%** of our suppliers completed on-site CSR inspections
- 100% of our suppliers passed the corporate social responsibility evaluations
- **100%** of our suppliers passed the CSR evaluations.
- 526 million yuan of donations made by Fuyao Glass and Heren Charitable Foundation funded by and Chairman Cho Tak Wong



Build a Globally Respected Brand

Prioritizing Quality to Become a Loval Partner to Our Global Customers

and Becoming a Global Best Employer

Becoming a Green Pioneer and Conserving the Global Ecology

Building Sustainable Supply Chains

Fuyao Glass incorporates the philosophy of sustainability into the management requirements for suppliers, maintains open lines of communication with them, ensures the efficiency and quality of the supply chain, and collaborates with them to build stable and reliable supply chains. We aim to a global pacesetter for the industry.

Sustainable supply chains

Fuvao Glass has released the *Supplier Management* Handbook and the Qualified Supplier Management Sys*tem* to conduct whole-process management of supplier entry, evaluation and exit, and integrate risk factors into the management system. The Company has continually upgraded the supplier digital management system and constantly addressed the management gaps. Our Fuyao SRM system enables the life cycle management of suppliers, including supplier lists, online quotations, contract signing, receipt and delivery of goods, acceptance checks, online reimbursement, and supplier performance. In 2022, we created the FYDS system to include logistics in the scope of management, enabling us to track shipment plans, manage dispatched vehicles, andarrange vehicle entryand unloading time slots for our suppliers.

Fuvao Glass has established a green supply chain management system and a green supply chain leading group, which is responsible for creating strategies and objectives in this regard, implementing decisions, and leading the Company toward a sustainable future. In order to build sustainable supply chains, the Company has developed a series of mechanisms including the Supplier Management Handbook and the Supplier Code of Conduct on Social Responsibility, and incorporated relevant factors into supplier entry and evaluation to drive sustainable supply chains. In 2022, Fuyao Glass developed the Supplier Management Regulations of Personal Information, regulating suppliers that deal with personal information in our Company and outlining their qualifications and management requirements

In 2022, Fuyao Glass had 417suppliers:



75.31

of our suppliers signed the Sustainable Procurement Charter



75.31

of our suppliers signed agreements containing provisions on the environment, labor standards, and human rights

100 of our suppliers passed

the CSR evaluations



of our suppliers completed onsite CSR inspections

75.23

• We establish the Supplier Code of Conduct on Social Responsibility, incorporate corporate social responsibility factors into the evaluation criteria for supplier entry, and require all suppliers to comply with applicable laws and regulations, including respecting employees' rights and interests, protecting the environment, refraining from using conflict minerals, ensuring employees' occupational safety, and assuming corporate social responsibilitv.

- We provide the Supplier Social Responsibility Self-Assessment Report and require suppliers to conduct CSR performance audits and meet our expectations in this regard. We also advise our suppliers to sign the Sustainable Procurement Charter and the Supplier Code of *Conduct* in the main supply agreement.
- We establish the *Supplier Audit Process* and conduct annual supplier evaluations. We conduct on-site CSR inspections for suppliers listed in our annual evaluation list. We evaluate the environmental and social risks of our suppliers based on quality assurance, productivity, and CSR mechanism.
- We evaluate our suppliers on a monthly and yearly basis based on product quality and delivery, services, price, environmental and safety requirements, as well as CSR performance by combining with our onsite evaluations. Our evaluations are carried out on a monthly and yearly basis. We provide targeted suggestions according to the evaluation results and commend excellent suppliers.

• We eliminate those suppliers who fail to pass the evaluation and still fall short of our standards after rectification.

Requirements for Sustainable Management of Suppliers

Entry

- We require suppliers to meet the ISO 9001:2015 quality management system requirements and move toward the IATF 16949:2016 technical standards.
- We require the procurement department of subsidiaries to communicate and sign environmental agreements with suppliers who provide materials that are directly used in the production of raw material components or are in direct contact with finished products.

Evaluation

- We identify high-risk suppliers that may cause supply chain disruptions or major quality accidents based on the Measures for the Administration of High-Risk Suppliers and include them in our List of High-Risk Suppliers. We provide rectification plans to high-risk suppliers and conduct on-site evaluations to minimize supply risks. In 2022, in response to the impact of the COVID-19 pandemic on material delivery, Fuyao Glass evaluated associated risks for the upcoming six months, developed alternative plans for high-risk material delivery, and extended the material storage period to guarantee the inventory and material supply.
- We provide the *REACH/RoHS Compliance Evaluation* Form to new suppliers, requiring them to submit information on compliance with environmental protection standards and requirements. In this way, we ensure that our suppliers' materials comply with relevant regulations. In 2022, Fuyao Glass selected 4 chemical enterprises and conducted REACH compliance surveys. The compliance rate of the samples was 100%.



ESG Performance

Prioritizing Quality to Become a Loyal Partner to Our Global Customers Upholding a People-Centered Philosophy and Becoming a Global Best Employer

Number of Suppliers by Territory



To promote sustainable procurement, we educate internal procurement personnel on the principles of sustainable procurement and how to apply them, continually improve the competence of procurement personnel, and enhance their awareness of sustainable procurement to ensure that the relevant environmental and social requirements are met throughout the procurement process.

In 2022



Fuyao Glass employed procurement employees



23

of whom passed the Six Sigma Green Belt test



100 %

of our procurement employees completed the sustainable procurement training

Fuyao Glass Provided Training on Social Responsibility and Environmental Protection to Procurement Employees

Fuyao Glass provided onsite training on social responsibility and environmental protection for all procurement employees. The topics covered green supply chains, CSR supervision of suppliers, and conflict minerals management, designed to familiarize our procurement teams with basic sustainable procurement requirements. Additionally, we shared the training material online to ensure our procurement employees can review the topics at any time, pay high attention to the social and environmental issues, and maintain professionalism throughout procurement processes.

Conflict minerals management

To avoid the use of conflict minerals from the Democratic Republic of the Congo and its adjacent areas in our own production process, Fuyao Glass has put in place an effective management system for conflict minerals, developed a series of institutional documents including the *Measures for Conflict Minerals Management* and the *Conflict Minerals Management Policy Statement*, and made the *Conflict Minerals Policy Statement* publicly available on its official website. These efforts are aimed at preventing the use of

> Set up conflict minerals management procedures, covering risk analysis, due diligence, supervision and abnormality handling processes

Conduct conflict minerals control training for purchasers and suppliers, so that they can timely understand Fuyao's policies and controls on conflict minerals management and control

Add the terms of conflict minerals in the purchase agreement and boycott the use of conflict minerals with suppliers in the supply chain



Onsite Training on Social Responsibility for Procurement Teams

conflict minerals obtained through illegal practices.

Additionally, we require suppliers involved in providing conflict minerals to submit the relevant statements in accordance with the *Conflict Minerals Reporting Template* (CMRT) issued by the Responsible Minerals Initiative (RMI). In 2022, Fuyao Glass identified 17 suppliers involved in providing conflict minerals. 100% of them later submitted conflict minerals reports.



Take the conflict mineral management and control as one of the criteria for selecting suppliers, and audit the conflict mineral management and control of new suppliers on site



Establish a supervision mechanism for conflict minerals and provide contact information in the Conflict Minerals Policy Statement that is available on the Company's official website

Prioritizing Quality to Become a Loval Partner to Our Global Customers

Becoming a Green Pioneer and Conserving the Global Ecology

Supplier communication

While improving the responsible supply chain management system, Fuyao Glassplaces great importance on building strong partnerships with suppliers to drive mutual trust and advancement. To ensure open lines of communication, the Company has established various online interaction channels, including a Fuyao Smart Supply Chain Coordination Platform and a dedicated WeChat group for suppliers. In addition, we classify suppliers based on territory, assign a supplier quality engineer to each supplier, and provide on-site guidance and mentoring to suppliers regularly.

Fuyao Glass actively provides training to suppliers to help them understand various business processes and meet our service requirements. Specifically, we provide multiple training courses tailored to specific business needs, including green belt training, CSR training, quality guidance, and carbon inventory training. We also conduct supplier lean activities on an ongoing basis, and remain dedicated to enhancing supplier capabilities in an all-round way to ensure quality and efficiency. In 2022, Fuyao Glass carried out 15 supplier training sessions across the Group, covering 300 suppliers.

In 2022



supplier training sessions across the Group



covering suppliers

300



Supplier Communication and Training Session

Working Together to Advance the Industry

Fuyao Glass adheres to the vision of leading by "example in the global industry". While improving its overall performance, the Company places a high value on the advancement of the industry, and seeks to create greater synergy and empower the industry through collaborating with partners and learning from each other's strengths.

Fuyao Glass Signed a Strategic Cooperation Framework Agreement with Sinopec **Fujian Petroleum Company Limited**

In 2022, Fuyao Glass and Sinopec Fujian Petroleum Company Limited signed a strategic cooperation framework agreement in Fuzhou. The two sides would leverage their respective technical advantages and work together in the following areas, such as promotion of pre-installed ETC, digital screen advertising in convenience stores and gas stations, supply of oil and gas, discounts of oil and non-oil products, the new energy business, and customer sharing. They hoped to together explore and provide more automotive aftermarket IT-based services in the context of gas stations. The partnership showcased that both sides actively promoted the crossover of "the automobile industry and enriched business forms" through combining their respective strengths.



Signing Ceremony of the Strategic Cooperation Agreement Between Sinopec Fujian Petroleum Company Limited and Fuyao Glass

Fuyao Glass Signed a Long-Term Strategic Cooperation Framework Agreement with **CSG** Holding Limited

In 2022, Fuyao Glass signed a long-term strategic cooperation framework agreement with CSG Holding Limited. Both sides hoped to combine their resources in the industry and technical expertise, and establish long-term strategic partnerships in the areas of off-line coating technique and ultra-thin high aluminum glass manufacturing. The aim was to develop more sustainable and innovative applications in the automotive industry and increase comprehensive strength and market influence.



Signing Ceremony of the Strategic Cooperation Agreement Between Fuyao Glass and CSG Holding Limited

Becoming a Green Pioneer and Conserving the Global Ecology

Chairman Cho Tak Wong Delivered a Keynote Speech at the Opening Ceremony of the World Manufacturing Convention 2022

Cho Tak Wong, chairman of Fuyao Glass, was invited to the opening ceremony of the World Manufacturing Convention 2022 and delivered a keynote speech entitled "Advancing the manufacturing industry requires us to take a market-oriented approach, rely on basic sciences, leverage new technologies, and make relentless efforts to innovate." In the speech, he shared his factory management philosophy and charted a course for business growth featuring market-oriented and sustained innovation, significantly contributing to industrial development.



Chairman Cho Tak Wong Delivering a Speech at the World Manufacturing Convention 2022

Fuyao Glass is also aware of the importance of technological breakthroughs to industrial manufacturers. Therefore, the Company constantly explores opportunities for university-enterprise collaboration and drives corporate development through technological upgrading.

Fuyao Glass and Tsinghua University Jointly Established the Smart Industrial Internet Research Center

In 2022, Fuyao Glass and Tsinghua University Global Innovation Exchange jointly established the Smart Industrial Internet Research Center to carry out technological cooperation through university-enterprise collaboration and explore key technologies in this field. The partnership aimed to help the Company "proactively" think, deduce and demonstrate before production using digital and virtual technology, and enable the simulation and optimization of processes and scheduling plans. The new research center would lead industrial production toward the "digital first" stage, further improve the efficiency of industrial design and production, reduce losses, increase efficiency, and enhance the digitalization and intelligent manufacturing capabilities of enterprises.



Opening Ceremony of the Smart Industrial InternetResearch Center

Giving Back to Society

At Fuyao Glass, we are committed to conducting public benefit initiatives and paying back to society. Guide by the principles of "Respecting the heaven and loving the people" and "Benevolence and benefits", we use our own resources to contribute to the fight against the COVID-19 pandemic, devote ourselves to education and philanthropy, and leverage our strengths to play a positive role in society. We earnestly shoulder corporate social responsibility to promote social development.

Ensuring production and supply

The continual outbreaks of COVID-19 across China in 2022 posed significant challenges to the country's pandemic response capabilities. At Fuyao Glass, we always adhere to the principle of "Life is paramount". Acting on the anti-pandemic requirements of the central government, we have devoted ourselves to the fight against the pandemic, cooperated with our subsidiaries and offices at home and abroad, and taken a science-based and targeted approach to implement the pandemic control policies issued by local governments. We've tried our best to ensure that our employees can maintain a normal work and life routine without disruption.

Shanghai Automotive Glass Took Flexible and Effective Measures to Ensure Steady Production and Supply

Due to the outbreaks of COVID-19 in early 2022, Shanghai encountered such problems as logistics disruptions, limited production capacity, and suspension of business for customers. Shanghai Automotive Glass adopted an intermittent production mode to ensure the supply of products to our customers. We gave early warning to the customers who may be affected by these delivery risks and kept open lines of communication with them. To address staff shortages, we rotated employees from different departments to fill the production gap. Additionally, we prioritized the timely supply of products to clients with a pass according to different local logistics policies during the pandemic. These efforts increased our supply capacity during the pandemic, and won high praise from our clients, who also sent us many basic necessities.

While ensuring its steady development during the pandemic, Fuyao Glass has contributed money and daily necessities and sent employees to aid in the pandemic response effort in Shanghai, Suzhou, Changchun, and Guangzhou. The Company has fulfilled its responsibility as a national enterprise.

Employees of Suzhou Automotive Glass Worked as Volunteers to Aid in the Local Pandemic Response

In 2022, Caohu Neighborhood where Suzhou Automotive Glass is located, faced great pandemic response pressure due to a lack of personnel and basic necessities. After the company heard about the difficulties, Suzhou Automotive Glass immediately gathered its executives and held an emergency meeting. The company donated necessities worth of 24,800 yuan and established a task force consisting of 39 employees to help take nucleic acid tests. Our volunteers took 9,000 tests in total and improved the overall work efficiency. Fuyao Glass has worked to maintain stable production and supply of its products despite the challenges posed by the COVID-19 pandemic. We have also collaborated with upstream and downstream companies to ensure stable production and supply of various products. As a result of our efforts, we have received letters of appreciation from Dongfeng Honda and Inalfa Roof Systems Group. Our subsidiaries including Shanghai Automotive Glass, Hubei Automotive Glass, and Changchun Automotive Glass have also won accolades from local governments and the public.



Basic Necessities from Our Clients



Volunteers from Suzhou Automotive Glass

Becoming a Green Pioneer and Conserving the Global Ecology

Philanthropy and charitable acts

At Fuyao Glass, we remain dedicated to philanthropy and charitable giving in various fields including education, culture, and poverty alleviation. Heren Charitable Foundation,founded by the chairman of Fuyao Glass in 2011, has fostered a culture of charity and spread it to every corner of society. Our charitable donations have reached 29 provinces, autonomous regions and municipalities in China, including Beijing, Fujian, Xinjiang, Tibet, as well as our neighbor Nepal. In 2022, Fuyao Glass donated 1.3894 million yuan to charitable causes, and Heren Charitable Foundation contributed 525.0042 million yuan.

In 2022,



1.3894 million yuan

Fuyao Glass donated to charitable causes

525.0042 million yuan

Heren Charitable Foundation contributed

Significant Progress was Made in the Construction of Fuyao University of Science and Technology that Received 10 Billion Yuan in Donation from Chairman of Fuyao Glass Cho Tak Wong

In May 2022, the construction of Fuyao University of Science and Technology, which received 10 billion yuan in donation from Cho Tak Wong, began. The first phase of the campus covered an area of 870,000 square meters, with an investment of about 6 billion yuan. The topping out ceremony of the first completed building was held in November.

Eight colleges would be established: the College of Material Science and Engineering, the College of Computer Science and Technology, the College of Machinery and Advanced Manufacturing, the College of Vehicles and Transportation, the College of Environment and Ecology, the College of Economics and Management, the College of Science and the College of Humanities. The aim is to cultivate patriotic, creative and innovative talents in applied research with an international vision. High-standard laboratories, practicum centers, a museum and library would be built. Moreover, other supporting institutions, such as the engineering training and entrepreneurship center, key laboratories, scientific research platforms, and international academic exchange centers would also be built on campus. We aim to build Fuyao University of Science and Technology into a well-renowned comprehensive university.



Topping Out Ceremony of Mingde Hall and Administrative Building at Fuyao University of Science and Technology

Heren Charitable Foundation Launched an Encouragement Scholarship Program

Heren Charitable Foundation launched the Cho Tak Wong Encouragement Scholarship to fund its partner schools on an ongoing basis. The Foundation donated 2 million yuan every year to Fujian Medical University from 2018 and 3 million yuan every year to Northwest Agriculture and Forestry University. In 2022, the Foundation expanded its coverage to fund more schools and programs, including Beijing Forestry University's national park system research project.



Cho Tak Wong Encouragement Scholarship Awarding Ceremony 2022 at Northwest Agriculture and Forestry University

Social impact

Fuyao Glass is highly recognized by its global customers for providing high-quality products and services across the entire industrial chain. While maintaining a responsible brand image, the Company has continuously enhanced its social impact and contributed to the development of the business community, the whole industry and society. We also shoulder corporate social responsibility drivepositive impact, and enter the world stage as a token of China's manufacturing industry.

Vice Chairman of Fuyao Glass Cao Hui Attended the "Two Sessions" and Put Forward Suggestions on People's Livelihood to Promote Social Development

In 2022, Cao Hui, Vice Chairman of Fuyao Glass, attended the fifth session of the 13th CPPCC National Committee and submitted five independent motions:

"Building a new type of community for elderly care", "Further implementing the 'dual reduction' tasks throughout the compulsory education stage", "Overcoming the weaknesses in youth education", "Creating a healthy cyber environment for minors", and "Accelerating the commercialization of new lighting technologies". These proposals were given much attention from the CPPCC and the public.

During his five-year term since 2018, Vice Chairman Cao Hui has made valuable suggestions to the benefit of the people and the country. He submitted 23 independent proposals and a dozen joint proposals, covering a range of hotspot issues related to people's livelihood, such as regional economic development, urban planning and construction, and youth education. His insightful views and major contribution were reported by People.cn, China News Service, Youth.cn, and other media outlets.

Qin Gang praised Fuyao Glass as a Bond Between China and the US

In September 2022, the then China's ambassador to the US Qin Gang visited Fuyao Glass America (FGA) and noted that the partnership between Fuyao Glass and Ohio had become a bond that closely tied the economies and peoples of both China and the US. Qin Gang inspected the glass manufacturing site, communicated with the workers there, and later joined in a roundtable with FGA's delegates to learn about the company's development in the US. After the meeting, Qin Gang signed on the automobile glass produced by the factory and encouraged Fuyao to make still greater contribution to enhancing friendly cooperation between China and the US.



Cao Hui, a Member of the CPPCC National Committee and Vice Chairman of Fuyao Glass



Qin Gang Wrote "Fuyao China and the US" on the FGA Automobile Glass and Signed His Name

Prioritizing Quality to Become a Loyal Partner to Our Global Customers

Future Outlook

In 2022, the global business environment kept deteriorating. The economic slowdown in Europe and the US and global supply chain disruptions led to rising prices in transport, energy, and materials. Global inflation was skyrocketing. These factors posed great challenges to humanity. However, Fuyao Glass has remained steadfast to its original aspirations, improved its management structure, and overcome the difficulties one by one. We have achieved outstanding results. While this is certainly encouraging, we need to review the best practices, identify gaps, and apply what we've learned to practice so that we can make constant achievements.

Looking ahead to 2023, we anticipate that the global economic environment will remain challenging, the economic slowdown in Europe and the US will continue, and consumer demand is also expected to decline further. Moreover, it will take a long time for supply chains to restore stability and social credit risks may intensify. These factors will steer the course of the new year. Therefore, we should keep calm, refrain from being complacent, make a profound summary of the past experience, and create a blueprint for the future in a holistic way. We should continue to stay vigilant, maintain stability in our operation with healthy financial numbers, pursue innovation-driven development, focus on technological breakthroughs, place equal emphasis on management and innovation, and vigorously disseminate our successful experience. More efforts should be made to coordinate global production capacity planning and capacity building on services to enhanceglobal competitiveness with our excellent operational systems. Additionally, we will build more digitalized green factories to optimize our energy mix and create a best-in-class industrial structure. We'll also encourage greater team spirit, increase organizational efficiency, take a customer-oriented approach, and create end-to-end value streams.

We all belong to the great family of Fuyao Glass. Actually the Company can be likened to a car or a plane, where every team member has a crucial role to play in achieving greater speed and height. As long as all of us work together in one heart and mind, Fuyao will always remain as an industry-leader that is characterized by "steady, innovative and green" development. Future Outlool

Appendix

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About Fuyao

Appendix

Index of the HKEX ESG Report Guideline

G Indicator			Location	ESG Ind	licator		Location
	Aspect A1: Emissions	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a signifi- cant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	P56-P58 P66-P69		Aspect B1:	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a signif- icant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal oppor- tunity, diversity, anti-discrimination, and other benefits and welfare	P42-P45 P50-P53
		A1.1 The types of emissions and respective emissions data	P67		Employment	B1.1 Total workforce by gender, employment type, age group and geographical region	P42-P43
		A1.2 Total greenhouse gas emission (in tonnes) and, where appropri- ate, intensity (e.g. per unit of production volume, per facility) A1.3 Total hazardous waste produced (in tonnes) and, where appro-	P59 P67			B1.2 Employee turnover rate by gender, age group and geograp hical region	P43
Environme		A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility) A1.5 Description of emissions target(s) set and steps taken to achieve them	P67 P59-P69			General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a signif- icant impact on the issuer relating to providing a safe working envi- ronment and protecting employees from occupational hazards	P46-P49
onmenta		A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	P64-P69		Aspect B2: Health and Safety	KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	P46
-	Aspect A2: Use of Resources	General Disclosure: Policies on the efficient use of resources, includ- ing energy, water and other raw materials	P61-P65	Social		KPI B2.2 Lost days due to work injury	P46
		A2.1 Direct and/or indirect energy consumption by type (e.g. elec- tricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	P62			KPI B2.3 Description of occupational health and safety measures adopted, andhow they are implemented and monitored	P47-P48
Aspect		A2.2 Water consumption in total and intensity (e.g. per unit of produc- tion volume, per facility)	P64			Policies on improving employees' knowledge and skills for discharg- ing duties at work. Description of training activities	P50-P52
Use of		A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them	P61-P63		Aspect B3: Development and	and external courses paid by the employer	
		A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	P64-P68		Training	KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	P52
		A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	P64			gender and employee category	P52
	Aspect A3: The Environmental and Natural Resources	General Disclosure: Policies on minimising the issuer's significant impact on the environment and natural resources	P69			Information on: (a) the policies; and	P44
		KPI A3.1 Description of the significant impacts of activities on the en- vironment and natural resources and the actions taken to manage them	P69		Aspect B4: Labour Standards	conment and protecting employees from occupational hazardsCPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting yearP4CPI B2.2 Lost days due to work injuryP4CPI B2.3 Description of occupational health and safety measures adopted, andhow they are implemented and monitoredP4General Disclosure: Dolicies on improving employees' knowledge and skills for discharg- ng duties at work. Description of training activitiesP5Note: Training refers to vocational training. It may include internal and external courses paid by the employerP5CPI B3.1 The percentage of employees trained by gender and em- boloyee category (e.g. senior management, middle management)P5CPI B3.2 The average training hours completed per employee by gender and employee categoryP5General Disclosure: Information on: a) the policies; and b) compliance with relevant laws and regulations that have a signifi- cant impactP4CPI B4.1 Description of measures to review employment practices toP4	
		General Disclosure: Policies on identification and mitigation of signif- icant climate-related issues which have impacted, and those which may impact, the issuer	P56-P58			KPI B4.1 Description of measures to review employment practices to avoid child and forced labour KPI B4.2 Description of steps taken to eliminate such practices when	P44
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KPI B8.2 Resources contributed (e.g. money or time) to the focus area P82

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	Aspect B5: Supply Chain 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	P74-P75
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		period and the outcomes of the cases KPI B7.2 Description of preventive measures and whistle-blowing	
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	KPI PO 2 Descurres contributed (a g manage or time) to the facus area	200	

GRI 201: Economic Performance 201-2 Financial implicat 2016 due to climate change

yao Glass has reported the information cited in this GRI content index for the periof January 1, 2022 to December 31, 2022 with reference to the GRI Standards.

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 Advancing Together and Leading

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GRI 302: Energy 2016	302-3 Energy intensity	P62
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	305-1 Direct (Scope 1) GHG emissions	P59
	305-2 Energy indirect (Scope 2) GHG emissions	P59
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	P59
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	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other sig- nificant air emissions	P67
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GRI 306: Waste 2020	306-4 Waste diverted from disposal	P65
	306-5 Waste directed to disposal	P68
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	P75
	401-1 New employee hires and employee turnover	P42-P43
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not pro- vided to temporary or part-time employees	P45

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GRI 403: Occupational Health	403-5 Worker training on occupational health and safety	P48
and Safety 2018	403-6 Promotion of worker health	P49
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P48-P49
	403-8 Workers covered by an occupational health and safety management system	P46-P47
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GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition as- sistance programs	P50-P51, P53
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GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	P22, P50
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	P66
GRI 414: Supplier Social Assess- ment 2016	414-1 New suppliers that were screened using social criteria	P75

Third-party Assurance Report



Independent Verification Statement

To the management and stakeholders of Fuyao Glass,

TÜV SÜD Certification and Testing (China) Co., Ltd. Shanghai Branch (hereinafter referred to as "TÜV SÜD") has been engaged by Fuyao Glass Industry Group Co., Ltd. (herein referred to as "Fuyao Glass" or "the Company") to perform an independent third-party verification on 2022 Fuyao Glass Industry Group Co., Ltd. Environmental, Social and Governance (ESG) Report (hereinafter referred to as "the Report"). During this verification, TÜV SÜD's verification team strictly abided by the contract signed with Fuyao Glass and provided verification regarding the Report in accordance with the provisions agreed by both parties and within the authorized scope stipulated in the contract.

This Independent Verification Statement is based on the data and information collected by Fuyao Glass and provided to TÜV SÜD. The scope of verification is limited to the given information. Fuyao Glass shall be held accountable for authenticity and completeness of the provided data and information.

Scope of Verification

Time frame of this verification:

 The Report contains the data disclosed by Fuyao Glass during the reporting period from January 1st, 2022 to December 31st, 2022, including economic, environmental and social information and data, methods for management of substantial issues, actions/measures and the Company's sustainability performance during the reporting period.

Physical boundary of this verification:

 The verification took sampling way to carry out the on-site work, the physical scope of the selected location is Fuyao Glass Industry Group Co., Ltd., District II of Fuyao Industrial Zone, Fuqing City, Fujian Province.

Scope of data and information for the verification:

· The scope of verification is limited to the data and information of Fuyao Glass and Plants/Production sites under its operational control covered by the Report.

The following information and data are beyond the scope of this verification:

- Any information and contents beyond the reporting period of this Report; and
- The data and information of Fuyao Glass's suppliers, partners and other third parties; and
- The financial data and information disclosed in this Report that have been audited by an independent third party are not verified again herein.

Limitations

- The verification process is conducted in the above scope and place. Sampling and verification are adopted for the data and information in the Report by TÜV SÜD, and only the stakeholders within the organization are interviewed; and
- The Company's standpoint, opinions, forward-looking statements and predictive information as well as the historical data and information before January 1st, 2022 are beyond the scope of this verification.

Basis for the Verification

This verification process was conducted by TÜV SÜD's expert team with extensive experience in the economic, social, environmental and other relevant areas and drew the "Limited Assurance" conclusions thereof. The verification referred to the following standards:

- AA1000AS v3, Type 2 Engagement and Moderate Level of Assurance
- TÜV SÜD Procedure of Verification on Sustainability Report

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In order to perform adequate verification in accordance with the contract and provide limited verification for the conclusions, the verification team conducted the following activities:

- Preliminary investigation of the relevant information before the verification:
- Confirmation of the presence of the topics with high level of materiality and performance in the Report;
- information
- reporting of the disclosed information; and
- Other procedures deemed necessary by the verification team.

Verification Conclusions

According to the verification, we believe the Report prepared by Fuyao Glass adheres to the requirement of AA1000AS v3. The verification team has drawn the following conclusions on this Report:

	Fuyao Glass has fully identified the in
Inclusivity	regulatory bodies, shareholders and i
	a stakeholder communication mechar
	Fuyao Glass has established a prioriti
	relevant to our industry and prioritized
Materiality	sustainability management and opera
	improvement in the impact analysis of
	Fuyao Glass has clearly disclosed the
Desnansiyansas	actions on pollutant emissions, occup
Responsiveness	information security, etc. and has esta
	stakeholders' demands and expectati
	Fuyao Glass has established a sustai
Impost	enterprises, industries, employees an
Impact	operations and business decisions. B
	development system, building a solid

After verification on a sample basis, we believe that the data disclosed in the Report for the year 2022 are true and reliable for use by interested parties.

Recommendations on Continuous Improvement

 It is recommended that the company discloses its sustainability strategy goals as well as annual progress in its next annual report. Statement on Independence and Verification Capability

TÜV SÜD is a trusted partner of choice for safety, security and sustainability solutions. It specialises in testing, certification, auditing and advisory services. Since 1866, TÜV SÜD has remained committed to its purpose of enabling progress by protecting people, the environment and assets from technologyrelated risks. Today, TÜV SÜD is present in over 1,000 locations worldwide with its headquarters in Munich, Germany. TÜV SÜD has been committed to

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- On-site review of all supporting documents, data and other information provided by Fuyao Glass; tracing and verification of key performance

Special interview with the representative of Fuyao Glass's management; interviews with the employees related to collection, compilation and

- nternal and external stakeholders of the organization, such as Government and investors, customers, employees, partners and suppliers, etc., and has established inism to regularly collect the real demands of stakeholders.
- tization process for material topics, identified sustainability topics that are highly ed the topics, disclosed the concept and management mechanism in the company's ations process, and the Report content is substantive overall, with room for of material topics.
- e management methods and performance of major issues in the areas of taking pational health and safety, taking actions on climate change, customer service, tablished various stakeholder communication mechanisms to fully respond to tions.
- inable development management mechanism to contribute to customers, ind society through its development by incorporating ESG concepts into daily By continuously improving the construction of the company's sustainable I foundation for sound and sustainable corporate operations.

ESG Performance Hiahliahts in 2022 Responsibility

Management

Prioritizing Ouality to Become a Loval Partner to Our Global Customers

Readers Feedback Form

Dear readers,

Thank you for reading this report. We sincerely look forward to your valuable comments on this report, so as to help us further improve our work and performance on social responsibility.

Multiple choice questions (please tick the appropriate box)

1.Who are you to the Fuyao Glass?

□ Government	□ Investor	🗆 Emp
□ Business partner	\square Community and public	🗆 Med

Government	□ Investor	Employee	Customer	□ Supplier/Contractor	
Business partner	□ Community and publi	c 🗆 Media	□ NGO	□ Others (please specify)	
2. How would you ra	te your opinion of the socia	l responsibility/ESG	performance of the	e Group?	
□ Excellent	□ Good	General	Poor		
3. How would you ra	te your opinion of this repo	rt?			
□ Excellent	□ Good	General	Poor		
4. How would you ra	te your opinion of the socia	l responsibility/ESG	information disclos	sed in this report?	
□ Excellent	□ Good	General	Poor		
5. How would you ra	te your opinion of the struct	ture of this report ?			
Very reasonable	□ Reasonable □	General	🗆 Less reasonabl	le	
6. How would you ra	te your opinion of the layou	It and design of this	report?		
□ Excellent	□ Good	General	Poor		

You can send your feedback in one of the following ways:

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sustainable development and actively promotes environmental protection related projects. Over the years, TÜV SÜD has been actively expanding its performance in energy management, renewable resources, and electric automobiles, etc., helping its customers meet sustainable development needs. TÜV SÜD Certification and Testing (China) Co., Ltd. Shanghai Branch is one of TÜV SÜD 's global branches and has an expert team whose members have professional background and rich industrial experiences.

TÜV SÜD and Fuyao Glass are two entities independent of each other and both TÜV SÜD and Fuyao Glass and their branches or stakeholders have no conflict of interest. No member of the verification team has business relationship with the Company. The verification is completely neutral. All the data and information in the Report are provided by Fuyao Glass. TÜV SÜD has not been involved in preparation and drafting of the Report, except for the verification itself and issuance of the verification statement.

Signature:

On Behalf of TÜV SÜD Certification and Testing (China) Co., Ltd. Shanghai Branch

Fr

Zhu Wenjun TÜV SÜD Sustainability Authorized Signatory Officer Mar 14, 2023 Shanghai, China Note: In case of any inconsistency or discrepancy, the simplified Chinese version of this verification statement shall prevail, while the English translation is used for reference only.

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