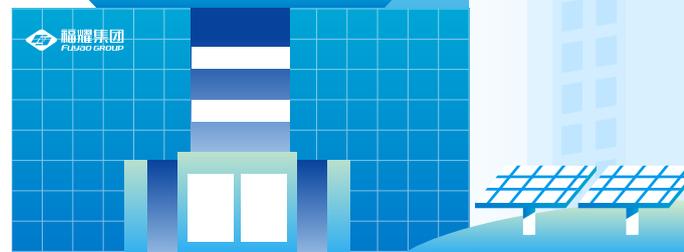




2023

Fuyao Glass Industry Group Co., Ltd.

Environmental, Social and Governance Report



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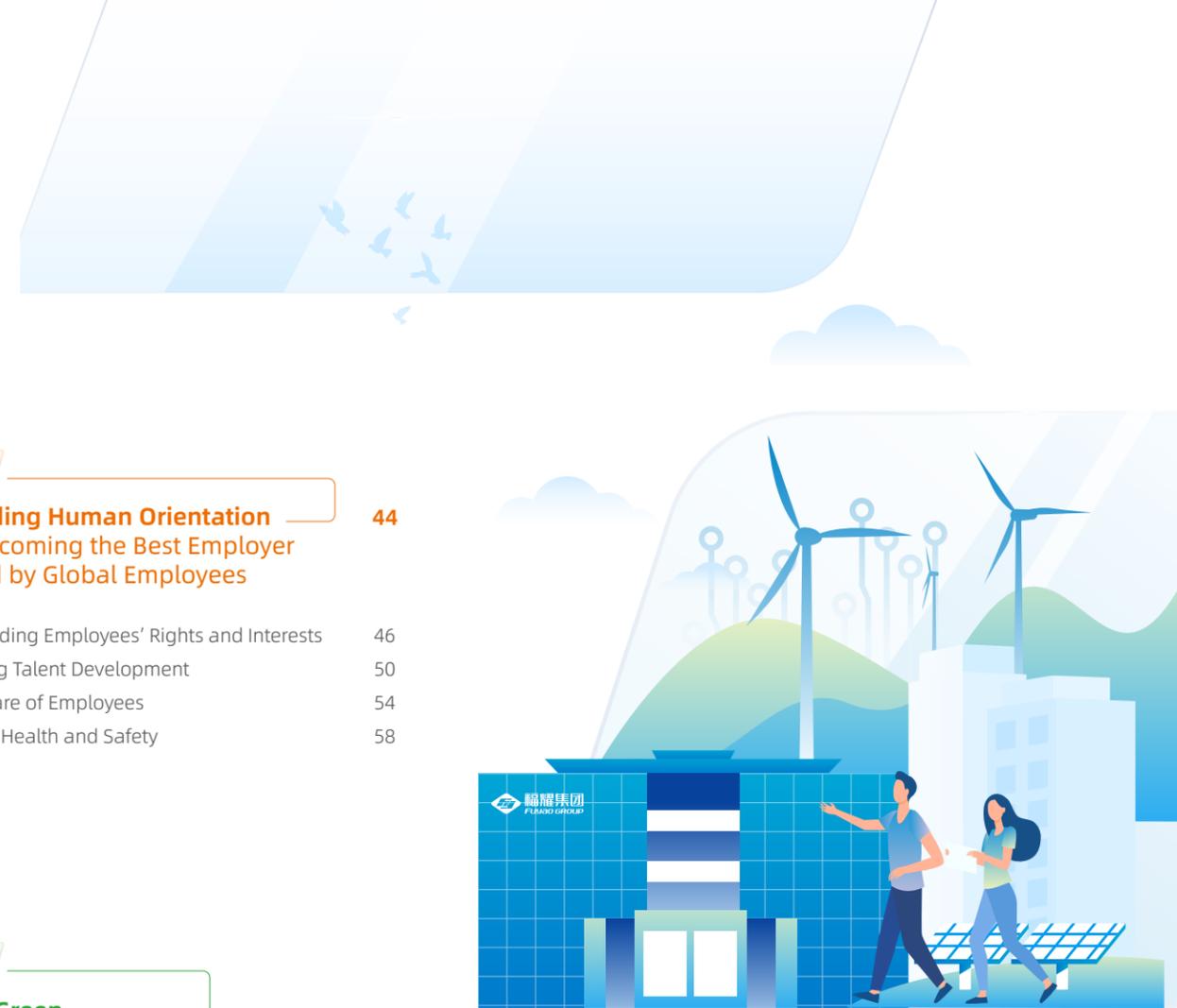
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About the Report

The report is the eighth 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 in 2023. 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, 2023 to December 31, 2023. Some content can be traced back to past years or extend to FY2024.

Definitions

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



References

This report is written in accordance with the *Environmental, Social and Governance Reporting Guide* (the "ESG Reporting Guide") in Appendix C2 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 Reporting* (GB/T 36001-2015), *Guidance on Classifying Social Responsibility Performance* (GB/T 36002-2015) released by State Administration for Quality Supervision and Inspection and Quarantine and Standardization Administration of China, and *Guidance on Social Responsibility* (ISO 26000: 2010) 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 report discloses quantitative data on environmental and social dimensions, with environmental data marked with reference standards, calculation methods and parameters.

Balance: The report objectively discloses both positive and negative information to ensure content balance.

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

Source of Data

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.

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 upholds the corporate mission of "Respecting the Heaven and Loving the People, Striving for the Ultimate Good". From its inception with the vision of "manufacturing quality glass independently for Chinese people", Fuyao Glass's trajectory has propelled itself towards the aspiration of "becoming the most competitive supplier specialized in automotive glass in the world". To this end, it upholds the core values of "diligence, simplicity, learning, and innovation," and adheres to its strategic path of independence, applied R&D, openness, and inclusiveness. Fuyao Group has been committed to becoming a loyal partner to its global customers, a noteworthy example in the global automotive glass industry, the best employer for its global employees, and a trusted brand around the world. Through its development, Fuyao Group gives back to society with practical actions and fulfills its social responsibilities. The goal is to

cultivate lasting trust from customers, shareholders, employees, suppliers, government, distributors, and society, nurturing a harmonious connection between the Company's progress and societal advancement.

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 rapid 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.

Annual Operation

As a leading enterprise in integrated solutions for global automotive glass and automotive-grade float glass design, development, manufacturing, supply, and service, Fuyao Glass operates 58 subsidiaries, with 39 located within China and 19 overseas. The Company has established modern production bases in over ten provinces and cities, including Tianjin, Shanghai, Chongqing, Guangdong, Fujian, Jilin, Hubei, Henan, and Inner Mongolia. Concurrently, Fuyao Glass continues to advance its internationalization efforts by establishing modern production bases and business entities in countries and regions such as the United States, Russia, Germany, Japan, and South Korea. This strategic expansion enables the Company to consistently deliver automotive safety glass products and services imbued with the wisdom and care of Fuyao employees to global automotive manufacturers and repair markets.

Fuyao implements a synergistic development model across the entire industry chain, beginning with the raw material of sand and progressing through the production of float glass, advanced processing of automotive glass, manufacturing of exterior parts and glass assemblies, and ultimately culminating in the delivery to end customers. This strategic approach ensures that Fuyao effectively meets the diverse needs of its global clients. 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 quality control, it has been recognized and selected by major automobile manufacturers and awarded as a Global Excellent Supplier.

In 2023

operating income

33.16 billion yuan

total profits

6.716 billion yuan

the net profit attributable to
shareholders of the listed company

5.63 billion yuan

basic earnings per share

2.16 yuan

taxes paid

2.57 billion yuan

the social contribution per share

5.56 yuan



Fuyao Glass Global Presence

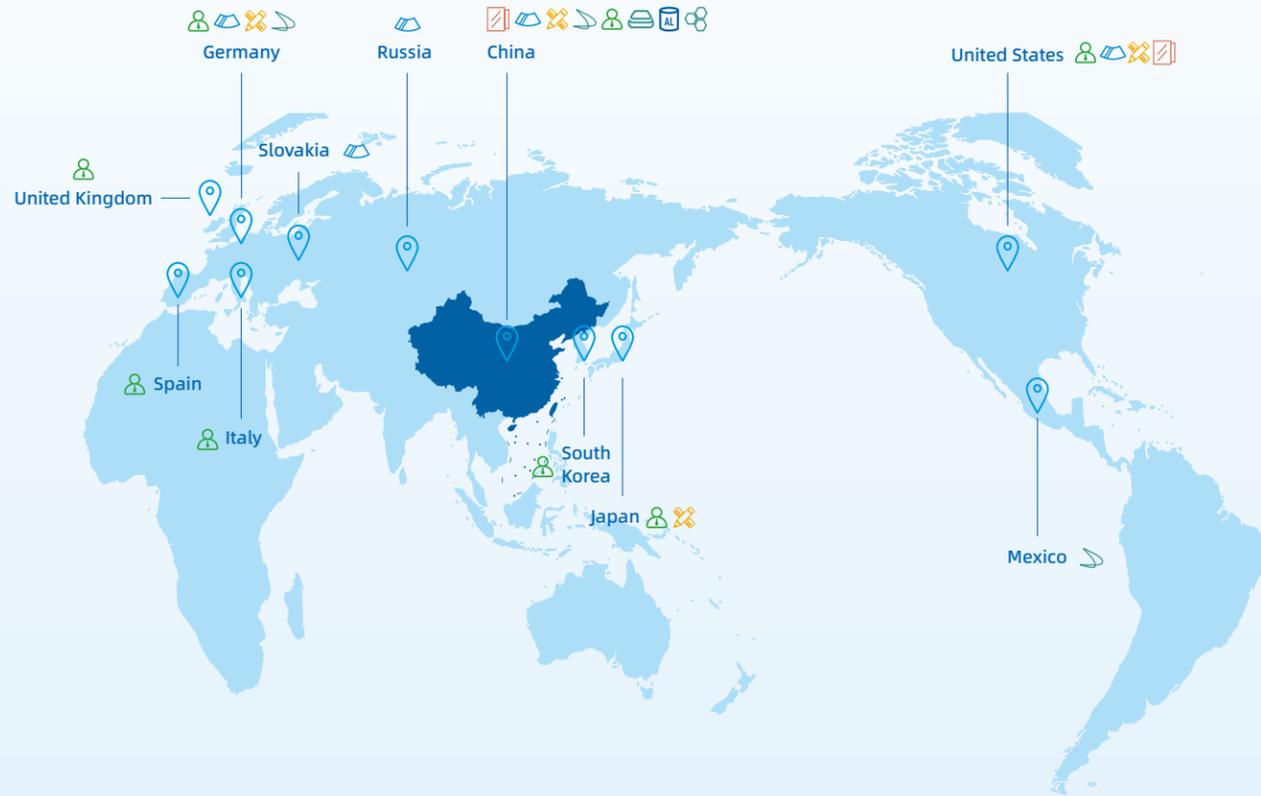


Figure Number: GS (2016) No. 1562
Overseen by the Ministry of Natural Resources

Fuyao Glass Domestic Layout



Figure Number: GS (2019) No. 1825
Overseen by the Ministry of Natural Resources

- R&D and Design
- Business Institution
- Float Glass
- Automotive Glass
- Automotive Accessories
- Aluminium refining
- Alluvium Ore Mining
- Equipment & Mold Inspection Tools

- R&D and Design
- Business Institution
- Float Glass
- Automotive Glass
- Automotive Accessories
- Aluminium refining
- Alluvium Ore Mining
- Equipment & Mold Inspection Tools

ESG Performance Highlights in 2023

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

Be included in the
S&P Global's Sustainability Yearbook (China Edition) 2023

Prioritizing quality and becoming a loyal partner to our global customers

99%

of settlement rate of customer issues

81%

of pass rate of the customer performance evaluation

Information security-related training covering

24,373 employees

totaling training hours

15,360.5

560

patents applied

280

patents granted

Going green and becoming a safeguard of global ecological environment

The installed capacity of renewable energy is

121.55 MWh

and the power generation capacity of renewable energy is

176,272.41 MWh

24

workplaces conducted environmental risk assessments

additional factory has obtained the green factory certification

2

bringing the total number of factories with the certification to

14

including at the national level at the local level

9

5

ISO 14001:2015 Environmental Management System Certification

24

Both CDP's climate change and water security questionnaires were rated as

A-

Taking collective action and becoming a noteworthy example in the global industry

100%

of our procurement employees completed the sustainable procurement training

75.91%

of our suppliers signed the Sustainable Procurement Charter

97.73%

of our suppliers completed on-site CSR inspections

72.27%

of our suppliers passed the CSR evaluations

100%

of our suppliers submitted reports on conflict minerals, including tin, tantalum, tungsten, and gold

941 million yuan

of donations made by Fuyao Glass and Heren Charitable Foundation funded by Chairman Cho Tak Wong

A third-party organization was invited to conduct training on ISO 14064: 2006 Greenhouse Gases and ISO 14067: 2018 Carbon Footprint of Products, which was made available to suppliers for participation either on-site or online

During the Group's supplier conference, a keynote speech was given to suppliers on Fuyao Group's Carbon Neutrality Goals and Requirements, and the Green Management Promotion Award was established to acknowledge suppliers who have excelled in promoting green and sustainable management

Upholding human orientation and becoming the best employer trusted by global employees

61.08%

of our employees having received training on anti-discrimination and anti-violation of human rights

50%

of workplaces having conducted human rights assessments

73.08%

of locations with human rights protection initiatives in place

65.91%

of our employees were covered by the collective bargaining agreement

30.42%

participating in the election of worker representatives

12

employees were provided with assistance

and the amount of assistance

1.5338 million yuan

100%

of the main business operating facilities have passed ISO 45001:2018 occupational health and safety management system certification

Company Honor



January 2023

- Chairman Cho Tak Wong was named China Philanthropist of the Year 2022 by *China Philanthropy Times*.
- 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.
- Fuyao Glass was ranked among the Top 100 Creditworthy Private Enterprises in China for 2022 jointly released by the China Enterprise Reform and Development Society and the China Cooperative Trade Enterprises Association.
- Fuyao Glass was ranked among the Top 100 A-Share Listed Companies for Corporate Social Responsibility in 2022 by the Changjiang Times Capital Strategy Research Institute.
- Zhengzhou Fuyao Glass Co., Ltd. was accredited by the Henan Science and Technology Department as the Henan Automotive Glass Engineering Technology Research Center and was awarded the honorary title of Outstanding Private Enterprise by the Zhengzhou Municipal People's Government.

February 2023

- 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 received the *China Philanthropist 2022* Tribute.
- Fuyao Glass was on the list of 2023 China's Most Trusted Employer Brands for College Students by HR Value.

March 2023

- Chairman Cho Tak Wong won Model of Love and Charity Award in the First Fujian Charity Awards by the People's Government of Fujian Province.
- Chairman Cho Tak Wong was selected as one of the 50 Most Influential Business Leaders in China in 2023 by *Fortune*, ranking tenth.
- Fuyao Glass was included in Energy Efficiency Pace-Setter benchmark enterprises (Flat Glass Industry) in key energy-consuming industries by the Ministry of Industry and Information Technology in 2022.
- Fuyao Glass was honored as the Best Employer of 2022 in a joint selection organized by Zhaopin and Center for Social Research, Peking University.
- Fuyao School of Management was awarded as Fuzhou Craftsmanship School by the Fuzhou Federation of Trade Union.

April 2023

- The B Shift of the laminating workshop in the interlayer factory at Guangzhou Fuyao Glass Co., Ltd. was honored as Worker Pioneer by the Guangdong Federation of Trade Union in 2023.
- The 1B Team of GT Workshop at Fuyao Group (Shenyang) Automotive Glass Co., Ltd. was honored as Worker Pioneer by the Liaoning Federation of Trade Union in 2023.

July 2023

- Fuyao Glass was selected as one of the China Best Managed Companies 2023 by Deloitte, marking its third consecutive year of recognition.
- Fuyao Glass was included in the 2023 *Fortune China* 500, ranking 444th, and included in the 2023 China's Top 500 Listed Companies, ranking 437th.
- Fuyao Glass was awarded the ESG Corporate Governance Pioneer by Beike Economy, as a leading private ESG-listed company.
- Fuyao Glass ranked 80th among the 2022-2023 Top 100 Global Parts Suppliers selected by the German consulting firm Berylls.
- Fuyao Glass was listed in the China Brand Value Research Institute's 2023 Top 100 Most Valuable Brands in China.

June 2023

- Fuyao Glass was ranked 91st among the 2023 Top 100 Global Automotive Supply Chain jointly released by *China Automotive News* and Roland Berger, and ranked 12th among the Top 100 Chinese Automotive Supply Chain.
- Fuyao Glass was included in the S&P Global's *Sustainability Yearbook (China Edition) 2023*.
- Zhengzhou Fuyao Glass Co., Ltd. was included in the 2023 Provincial Green Factory List by the Department of Industry and Information Technology of Henan Province.
- Chongqing Wansheng Fuyao Glass Co., Ltd. was awarded as Chongqing Excellent Private Enterprise by the People's Government of Chongqing Municipality.

May 2023

- Chairman Cho Tak Wong was awarded China Charity 20 Years · Charity Leader in the 20th (2023) China Charity List of *China Philanthropy Times*.
- Chairman Cho Tak Wong was awarded Sustainable Development - Annual Most Entrepreneurial Business Leader at the 10th China Entrepreneurs Development Annual Conference.
- Chairman Cho Tak Wong and Vice Chairman Cao Hui were awarded the Tribute to Twenty · Tribute to Loving Enterprises by the China Foundation for Rural Development.
- Fuyao Glass was recognized by Deloitte Green Quantum as the S-level leading sustainable development enterprise in the ESG chemical industry for 2022.
- Fuyao Glass won the Investor Relations Gold Award (2022) Best Institutional Communication Award by Shenzhen Panorama Network Co., Ltd. and the China Academy of Corporate Governance of Nankai University.
- Fuyao Group (Shenyang) Automotive Glass Co., Ltd. was included in the first batch of the Liaoning Province 5G Fully Connected Factory Pilot Demonstration list for 2023 by the Department of Industry and Information Technology of Liaoning Province.
- Fuyao Glass (Chongqing) Co., Ltd.'s Semi-Tempered Laminated Glass Production Digital Workshop and Chongqing Wansheng Fuyao Glass Co., Ltd.'s Bus Panoramic Windshield Production Digital Workshop were selected for the 2023 Chongqing Digital Workshop list by the Chongqing Economic and Information Commission.

Company Honor



August 2023

- Chairman Cho Tak Wong received the Individual Donation Award at the 12th China Charity Award by the Ministry of Civil Affairs.
- Chairman Cho Tak Wong won the Outstanding Contribution to Manufacturing Award by the International Leadership Foundation (ILF) in 2023.
- Chairman Cho Tak Wong received a commendation letter from Montgomery County, USA.
- Fuyao Glass was included in the Top 500 Asian Brands by GYbrand Global Brand Research Institute.
- Fuyao Glass was selected as the 2023 Phoenix Star Best Listed Company in Hong Kong by Phoenix Satellite Television and ifeng.com.
- Benxi Fuyao Silica Sand Co., Ltd. was selected as an innovative small and medium-sized enterprise in Liaoning Province (Second Batch of 2023) by the Department of Industry and Information Technology of Liaoning Province.

September 2023

- Fuyao Glass was ranked among the 2023 Top 500 Private Enterprises in China and the Top 500 Private Manufacturing Enterprises in China by the All-China Federation of Industry and Commerce, as well as the Top 50 Chinese Enterprises with Cross-Border Operations by Forbes China.
- Fuyao Glass was included in the Top 100 Healthy Index of Listed Companies in China for 2022 by the China Association for Public Companies.
- Fuyao Glass was included in the 2023 Top 500 Asian Brands by Asiabrand.
- Fuyao Glass ranked 4th in the automotive parts industry on the Top 10 Chinese Enterprise Innovation Rankings 2023 by *Southern Weekly*.

October 2023

- Fuyao Glass was selected as a typical case of demand-side management in the national industrial sector by the Ministry of Industry and Information Technology.
- Fuyao Glass was included in the Top 500 Private Enterprises for Invention Patents in 2023 by the All-China Federation of Industry and Commerce, and selected as one of the Top 500 Private Enterprises for R&D Investment in China in 2023.
- Fuyao Glass was awarded the Best Corporate Governance Practice of 2023 by the China Association for Public Companies.
- Fuyao Glass was included in the China Listed Companies (A-share) Low Carbon Sustainable Development Index jointly released by the World Sustainability Standards Organization (WSSO), Tsinghua University's Institute for Sustainable Development Goals, and the Energy Investment Special Committee of the Investment Association of China.
- CEO Ye Shu was awarded 2023 Automotive Industry CEO of the Year by Jiemian.
- Benxi Fuyao Silica Sand Co., Ltd. was selected as a provincial green factory for 2023 (eighth batch) by the Department of Industry and Information Technology of Liaoning Province.

December 2023

- Chairman Cho Tak Wong was recognized on the China Listed Company Annual Figures of the 2023 Value Ranking by The Paper.
- Fuyao Glass won the Annual Cutting-edge Technology Innovation Award on the 2023 New Awards list by *Caijing Magazine*.
- Fuyao Glass was recognized as the Annual Return Power Enterprise on the 2023 YICAI CCV.
- Fuyao Glass ranked third among the 2023 Top 100 Smart Manufacturing Companies in China by the EMLYON Business School and National Business Daily.
- Fuyao Glass won the Annual Most Valuable Listed Company Award at the 2023 Capital Market Crystal Ball Awards by *Capital Week*.
- Fuyao Glass was rated 4A in the Performance Evaluation of the Board Secretaries of Listed Companies 2023 of the China Association for Public Companies.
- Fuyao Glass was included in the 2023-2024 Top 100 Competitive Chinese Listed Companies by the Institute of Chinese Enterprises Development, Shanghai Jiao Tong University.
- Fuyao Glass was included in the Top 50 Public Welfare Donations by Listed Companies in 2022 by ChinaTimes.
- Fuyao Glass was awarded the Top 10 Influential Public Welfare Brands in China by the World Brand Lab.
- Fuyao Glass's Industrial Application of High-Strength Ultra-Thin Chemically Tempered Automotive Glass Technology was awarded the Achievement Transformation Award in the 2022 Fujian Provincial Science and Technology Awards.
- Guangzhou Fuyao Glass Co., Ltd. was honored as Provincial Exemplary Employment Assistance Base by the Human Resources and Social Security Department of Guangdong Province in 2022.
- Fuyao Group (Shenyang) Automotive Glass Co., Ltd. was recognized as a Level Two Standardized Enterprise for Safety Production in the Industrial and Commercial Sector by the Department of Emergency Management of Liaoning Province.

November 2023

- Fuyao Glass was selected as a demonstration enterprise for green product design by the Ministry of Industry and Information Technology (fifth batch).
- Fuyao Glass's UWB automotive glass won the Gold Award of the Forward-looking Body System category in the 2023 Lingxuan Awards by *Auto Business Review*.
- Fuyao Glass was on *Fortune's* 2023 Most Admired Chinese Companies list.
- Fuyao Glass was included in the Top 100 Global Automotive Parts Suppliers compiled by Roland Berger on behalf of the French industrial magazine *UsineNouvelle*.
- Fuyao Glass was selected among the Top 100 Main Board Listed Companies by Value by *Securities Times*, and was honored with the China Listed Companies Outstanding Contribution Award for Green and Low-carbon Initiatives.
- Fuyao Glass was included in Sohu Auto's China Innovative Company 100 for the automotive industry chain.
- Fuyao Group (Shenyang) Automotive Glass Co., Ltd. and Zhengzhou Fuyao Glass Co., Ltd. were jointly awarded the 2023 Outstanding Intelligent Manufacturing Scene by the Ministry of Industry and Information Technology, the National Development and Reform Commission, the Ministry of Finance, and two other ministries.
- Fuyao Group (Shenyang) Automotive Glass Co., Ltd. was selected as 2023 Liaoning Province Intelligent Factory by the Department of Industry and Information Technology of Liaoning Province.
- Fuyao Group (Fujian) Machinery Manufacturing Co., Ltd. was selected as a National Intellectual Property Advantage Enterprise for the year 2023 by the National Intellectual Property Administration.
- Fuyao Glass Illinois Co., Ltd. won the 2023 Sino-U.S. Outstanding Manufacturing Award by the China General Chamber of Commerce - USA.

Responsibility Management

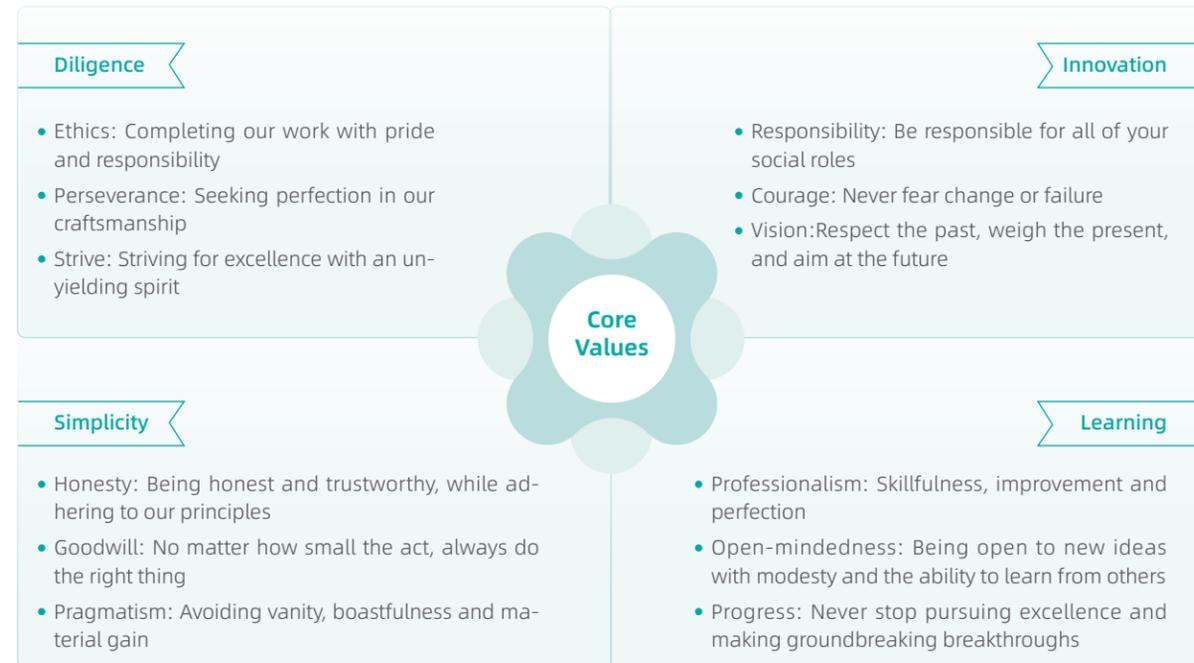
Fuyao Glass actively upholds its core values and ESG philosophy by integrating ESG practices into its daily operations and decision-making processes through the establishment of an ESG management mechanism. We are committed to creating long-term value for all stakeholders and engage in diverse stakeholder communication channels to identify material ESG topics, define ESG management priorities, and advance sustainable development through tangible actions that meet stakeholder expectations.

01



ESG Philosophy

Since its development, Fuyao Glass has been pursuing self-improvement with an innate sense of mission. From the earliest "to make a piece of automobile glass for Chinese people" to "to set up a model for automobile glass suppliers" to "Fuyao Global" and the action of returning to the society centered on the Chairman, Fuyao has always been pursuing to contribute to customers, enterprises, industries, employees and the society through self-development.



Fuyao's Goal

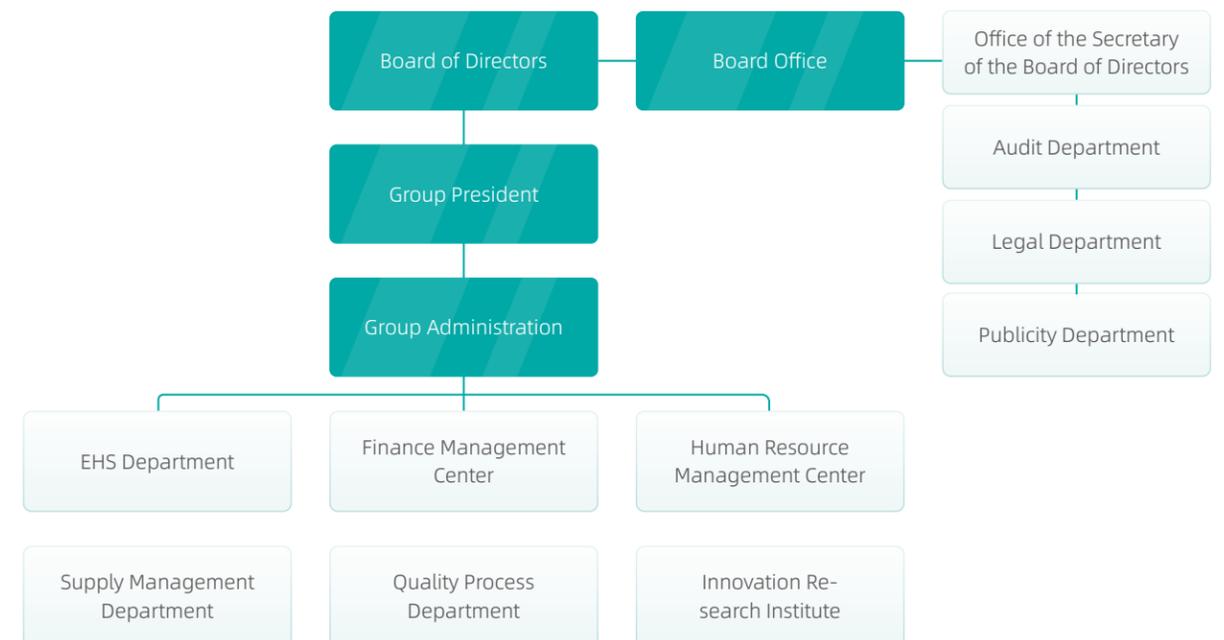


ESG Management Mechanism

At Fuyao Glass, we acknowledge the critical role of ESG management in modern business practices and prioritize its complete integration into our daily operations and decision-making processes. We have taken proactive steps to establish and implement an ESG management system, assigning clear ESG management responsibilities to ensure professionalism, standardization, and consistency in ESG practices across all departments.

Fuyao Glass's ESG management system comprises the Board of Directors, ESG Working Groups, business units, and functional departments, forming a top-down ESG management structure. The Board of Directors, serving as the highest authority in ESG matters, oversees and guides the ESG Working Groups, which include leaders from various

functional departments. These Working Groups collaborate closely with business units and functional departments to develop ESG action plans, identify and mitigate ESG risks within our processes, and consistently gather and report information on environmental, social, and other pertinent aspects of our operations. Collected ESG data is then carefully analyzed by the Working Groups, who provide insights and recommendations to the Board of Directors for further discussion. Upon deliberation, actionable steps are assigned to the respective Working Groups for implementation, with business units and functional departments responsible for the execution. This establishes a robust two-way ESG feedback mechanism, ensuring ongoing progress and improvement in our ESG initiatives.



Fuyao Glass's ESG Management Structure

Fuyao Glass is actively standardizing ESG management and expanding the scope of management to all suppliers. We have developed the *Fuyao Glass Social Responsibility Code of Conduct*, covering guidelines for labor rights, health and safety, environmental protection, and business ethics. The code mandates strict compliance for all employees within the Fuyao Glass and suppliers engaged in business transactions.

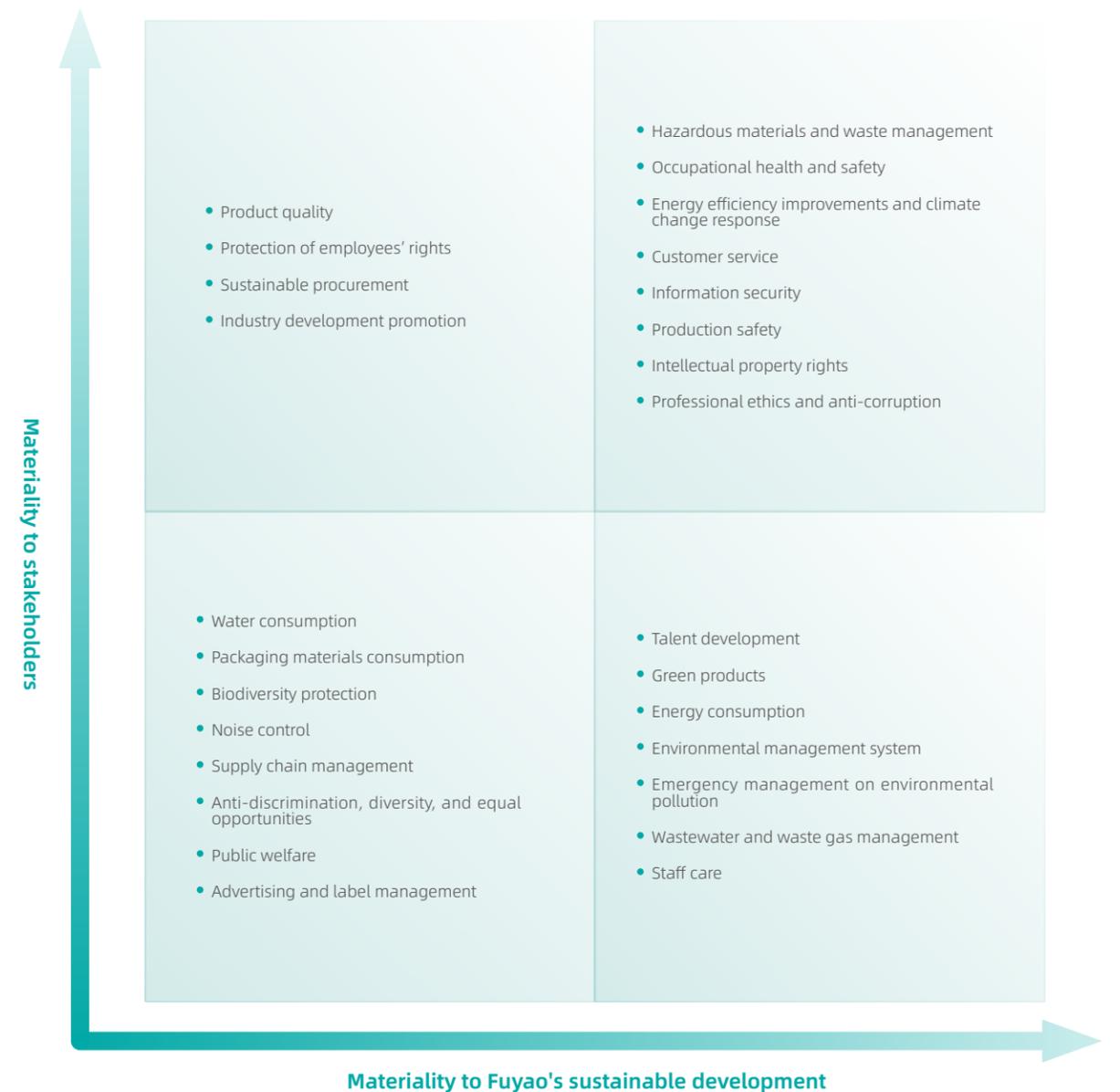
Stakeholders Engagement

Fuyao Glass understands that the healthy development of the company cannot be separated from the support of all stakeholders, and thus attaching importance to listening to the demands of stakeholders. We have carried out diversified communication channels, including online and offline, to actively and effectively communicate with stakeholders, responding to their concerns in a timely manner, so as to realize a win-win situation.

Stakeholders	Stakeholder's Expectation	Communication Channels
 Government and Regulatory Authorities	Professional ethics and anti-corruption Legal compliance Legal tax payment Intellectual property right Environmental protection Biodiversity	Participate in government meetings Accept supervision and monitoring Enhance day-to-day management Enhance emission management Reduce resource wastage
 Shareholders and Investors	Corporate performance Shareholder returns Information disclosure Investor relations Corporate governance Risk control	Hold Shareholders' Meetings Enhance information disclosure Conduct investor relations activities
 Employees	Occupational health and safety Talent development Staff care Anti-discrimination, diversity, and equal opportunities	Strengthen occupational health and safety management Conduct employee training Formulate a reasonable salary system Conduct democratic management
 Customers	Product quality Customer service Consumer rights protection	Strengthen product quality management Conduct customer service hotline Conduct customer satisfaction surveys
 Partners/Suppliers	Responsible procurement Contract compliance Win-win development	Improve supplier management system Improve contract management system Organize supplier conferences
 Society	Public welfare Community harmony Urban development Environmental protection	Conduct community welfare activities Provide quality jobs Strengthen community building Enhance Emissions Management

Materiality Assessment

Fuyao Glass regularly conducts ESG materiality assessment based on communication with stakeholders to ensure that the company's operation and development are aligned with the expectations and needs of various stakeholders. By inviting stakeholders to participate in the research and combining them with our own strategic development, we have developed a materiality matrix to identify ESG issues with material impacts to clarify the key areas of social responsibility practices and information disclosure.



Materiality Matrix in 2023

An aerial photograph of a winding road on a bridge over a lush green valley. The road curves through a dense forest of tall evergreen trees. A river flows through the valley below. The sky is blue with some clouds. The overall scene is a beautiful natural landscape.

Statement of the Board of Directors

Fuyao Glass adheres to the concept of sustainable development, places great emphasis on sustainability in its business practices and fulfills corporate social responsibility, contributing to societal development.

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 and business considerations. The Company maintains close communication with stakeholders to hear their perspectives and understand their demands at regular internal and external events and ensures it meets the expectations and requirements of investors and regulators. During the reporting period, 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 the Company's sustainable development.

In 2023, Fuyao Glass's Board of Directors enhanced their engagement in ESG initiatives, increased the frequency of ESG-related proposals reviewed, and conducted assessments on the ESG work plan, the action plan and progress towards the set ESG goals for the year. The Board placed special emphasis on the product quality, protection of employees' rights and interests, energy conservation and emissions reduction, as well as climate response. 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 2023, and was deliberated and adopted by the Board of Directors on March 15, 2024.

Adhering to Integrity Operation and Becoming a World-Renowned Trustworthy Brand

At Fuyao Glass, we recognize the significance of sound corporate governance in establishing a world-renowned trustworthy brand. We emphasize governance in compliance with national laws and regulations, as well as domestic and overseas regulatory requirements. We have upgraded our risk prevention mechanism and control measures, intensified our integrity efforts, and improved our modern governance system and capabilities.

02



Annual Highlights

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

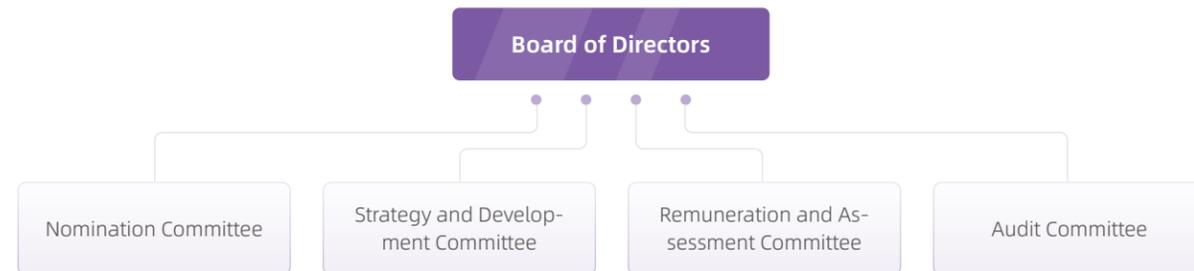
100%
of our employees having received training on business ethics

Be included in the **S&P Global's Sustainability Yearbook (China Edition) 2023**

Consolidating Governance Foundation

We strictly observe the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies*, 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. We have enhanced the Company's governance mechanisms with the aim of ensuring its compliance and proper operation.

We have established an independent director system in line with international practices. The Company's Board of Directors oversees four special committees, including the Nomination Committee, the Remuneration and Assessment Committee, and the Audit Committee, all of which are chaired by independent non-executive directors with the majority of seats held by independent directors. We have clearly defined the responsibilities and obligations of each committee, implemented a robust performance evaluation and remuneration management system for directors and senior management, and oversee the Company's strategic decisions, business performance, and financial results to drive its sustainable and stable development.



Fuyao Glass is dedicated to enhancing the diversity of the board of directors by implementing a *Policy on the Diversity of Board Members*. This policy emphasizes appointing directors based on merit and considering various aspects of diversity, such as gender, age, cultural and educational backgrounds, ethnicity, professional experience, skills, knowledge, years of service and more. The goal is to foster a board that is diverse and balanced in viewpoints, experiences, and perspectives. In 2023, the members of the Company's board of directors bring a wealth of industry experience and professional expertise from multiple sectors, providing diverse perspectives and ideas to elevate the overall decision-making capacity of the board.

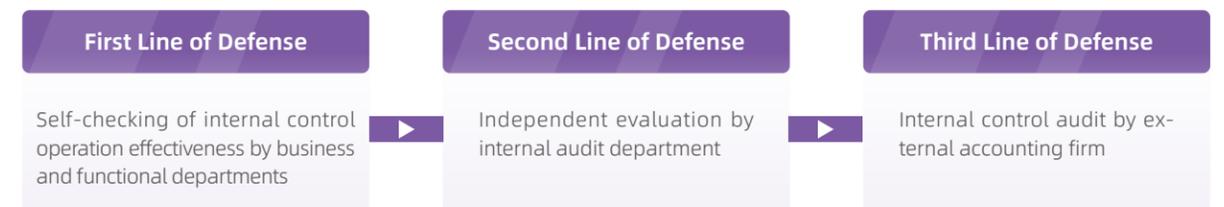


Risk and Compliance Management

We place a high priority on compliance operations and risk management, and have developed several key systems and protocols. These include 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 Internal Control*. In response to evolving business risks, organizational structures, and other pertinent factors, we have revised our *Internal Control Standard Manual* to establish an improved internal control management system. This optimization effort aims to encompass the entire operational process, ultimately enhancing standardized management practices.

specific responsibilities across the Company, including management by business departments, internal independent evaluation, and external supervision and review. By clearly defining roles and responsibilities at each level, this framework facilitates effective coordination and collaboration within the organization. The Three Lines of Defense serve as complementary and mutually reinforcing mechanisms to ensure the effective functioning of the internal control system, strengthen the risk management and control capabilities of business departments, and establish a risk management internal control mechanism that prioritizes "risk management awareness of all staff, engagement of everyone in internal control, and responsibility of everyone for compliance implementation." This operational model aims to enhance internal control efficiency, and safeguard the stability of the group's operations.

We have established the Three Lines of Defense for internal control and risk management. This framework delineates



Fuyao Glass's Three Lines of Defense for Risk Control

During the reporting period, we consistently focus on conducting audit projects aimed at promoting regular and effective internal control operations. We have established a robust system for identifying and managing risks, regularly assessing key risks faced by the organization. To effectively address these risks, we have undertaken various measures including structural modifications, system improvements, technological innovations, product upgrades, and adjustments to the business model. In 2023, we adopted a risk-oriented approach to identify key areas for evaluation, covering 98% of total assets and 94.35% of total revenue in the consolidated financial statements. This approach ensures that business operations adhere to the principles of comprehensiveness and materiality, thereby enhancing transparency and accountability.



Identified Key Risks Facing the Company in 2023

Upholding Operational Integrity

Fuyao Glass adheres to the principle of operational integrity, strictly regulating its management in accordance with high business ethics. We are committed to bolstering our anti-corruption framework and fostering a transparent and ethical business environment. To this end, we actively promote anti-corruption initiatives through integrity training, enhancing employees' awareness of integrity, and refining our complaint and whistleblowing mechanisms. These concerted efforts have led to a significant enhancement of our standards in business ethics and anti-corruption management, ensuring the orderly conduct of business activities with integrity.

Fuyao Glass's Philosophy of Operational Integrity

Management Philosophy: "Human-Oriented and Integrity"

Brand Philosophy: "Moral Standing, Product, Quality, and Taste"

Team Philosophy: "Unity, Efficiency, Integrity, and Fairness"



Business Ethics System

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 national laws and regulations, and guidelines, as well as domestic and overseas regulatory requirements on listing companies. In our daily operations, we uphold the highest standards of business ethics and maintain a zero-tolerance stance towards fraudulent activities. Internally, we have established a sound system of business ethics.

In 2023

operating sites conducted business ethics audits or risk assessments accounting for **26** **100%**¹

We uphold integrity as a fundamental principle, outlining clear business ethics codes of conduct for employees to follow in areas such as professional ethics, anti-fraud, conflict of interest, and gift management, along with the Company's corresponding procedures for handling such matters. We conduct annual fraud risk assessments and self-evaluations with all subsidiary companies in addition to daily anti-corruption oversight. Fraudulent acts that could damage the Company's interests and image are included in the annual performance evaluation criteria, creating a workplace environment that promotes integrity and transparency.

Fuyao Glass's Code of Business Ethics

Professional Ethics	<ul style="list-style-type: none"> Internally, the Company has formulated the <i>Employee Code of Conduct</i>, the <i>Integrity and Discipline Management Regulations</i>, and the <i>Professional Code of Ethics for Internal Auditors</i> to regulate employee professional conduct and deter the use of unethical means for personal gain. Externally, the Company requires its suppliers to sign the <i>Law Compliance Commitment</i>, committing to abide by Fuyao Glass's Code of Business Ethics. 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	<ul style="list-style-type: none"> The Company has established the <i>Anti-Fraud Management System</i> and the <i>Regulations on Fair Competition</i> 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. The Company has formulated the <i>Regulations on the Employee Reward and Punishment Management</i>, outlining specific punitive measures for illegal activities such as fraud, self-dealing, bribery, and corruption in business operations.
Conflict of Interest	<ul style="list-style-type: none"> The Company has established the <i>Personnel Avoidance System</i> and the <i>Conflict of Interest Management System</i> to regulate company personnel management, requiring employees potentially facing conflicts of interest to complete a <i>Conflict of Interest Declaration Form</i>, conducting conflict of interest investigations as necessary, and raising employee awareness of anti-corruption and anti-fraud.
Gift Management	<ul style="list-style-type: none"> The Company has set up a "Gift Acceptance Registration Form" to clarify the source, the content, and the recipient of gifts, in order to prevent any possible bribery in the process of gift acceptance.

Note 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 2023, accounting for 100%.

Fostering Integrity Awareness

At Fuyao Glass, we require all employees to adhere to the Code of Business Ethics, underscoring our firm commitment to fostering a culture of integrity throughout the organization. We place significant emphasis on providing regular integrity education and training sessions for directors and staff members, with the aim of enhancing their awareness of integrity and cultivating a workplace environment that upholds these principles.

During the reporting period, we intensified our efforts in anti-corruption education campaigns. Leveraging corporate communication channels such as our corporate WeChat account and office platforms, we disseminated integrity warnings and announcements, further promoting the development of a culture of integrity within our company. In August 2023, the Company released a notification titled *Enhancing Integrity and Discipline, and Promoting Strict Management*. This notice reiterated the importance of integrity discipline, emphasized the necessity of enhancing employees' awareness of integrity, anti-corruption, and legal compliance, reinforced accountability mechanisms for internal supervision and management, and highlighted the crucial role of employees in fulfilling their supervisory responsibilities.

In 2023

100% of Fuyao Glass's directors having received training on business ethics	100% of Fuyao Glass's employees having received Fuyao Glass's training on business ethics	24,763 employees of Fuyao Glass's domestic subsidiaries having signed the <i>Anti-Corruption Commitment</i>
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Regulating Whistleblowing and Supervision

At Fuyao Glass, we place a high priority on the positive role of reporting and monitoring in promoting integrity. We encourage employees to report violations of integrity, abuse of authority, dereliction of duty, malfeasance, violation of business management orders, and other misconduct. Any confirmed breaches of business ethics will be dealt with severely. Internal and external stakeholders can report incidents of business misconduct to us via the dedicated reporting hotline or the email.

The Dedicated Reporting Hotline

0591-85363456



E-mail

GM@fuyaoigroup.com



We have implemented a comprehensive reporting acceptance and investigation process, with the independent internal audit department, authorized by the Board of Directors, responsible for handling reports of fraud. They conduct thorough investigations into fraud cases, provide recommendations for action, and report their findings to senior management, the Board of Directors, and the Board of Supervisors. Regarding whistleblower protection, we are committed to safeguarding the legal rights of whistleblowers and have implemented a clear protection mechanism. We prioritize strict confidentiality measures to ensure the information provided by whistleblowers is protected, thereby preventing any form of retaliation or misconduct.

We take violations of regulations, disciplines, and laws seriously, firmly preventing and eliminating behaviors prohibited by applicable laws and regulations. During the reporting period, no corruption lawsuits were filed in the Company, and no internal corruption cases were discovered. The closing rate of cases related to business ethics was 100%.

The closing rate of cases related to business ethics was

100%

The Company's response rate to complaints about business ethics

100%



Prioritizing Quality

and Becoming a Loyal Partner to Our Global Customers

At Fuyao Glass, quality is its top priority in the pursuit of excellence. Fuyao Glass is committed to continuous improvement of its internal quality management system. We have established prevention and emergency mechanisms to ensure product quality and built a quality workforce to promote service standards, driving the Company's high-quality development. We prioritize standardized intellectual property management, maintain consistent investment, and encourage employees to pursue technological innovation, leading to the attainment of multiple milestone innovation achievements.

03



Annual Highlights

of settlement rate of customer issues

99%

of pass rate of the customer performance evaluation

81%

Information security-related training covering

24,373 employees

totaling training hours

15,360.5

patents applied

560

patents granted

280

Perfecting Quality Management

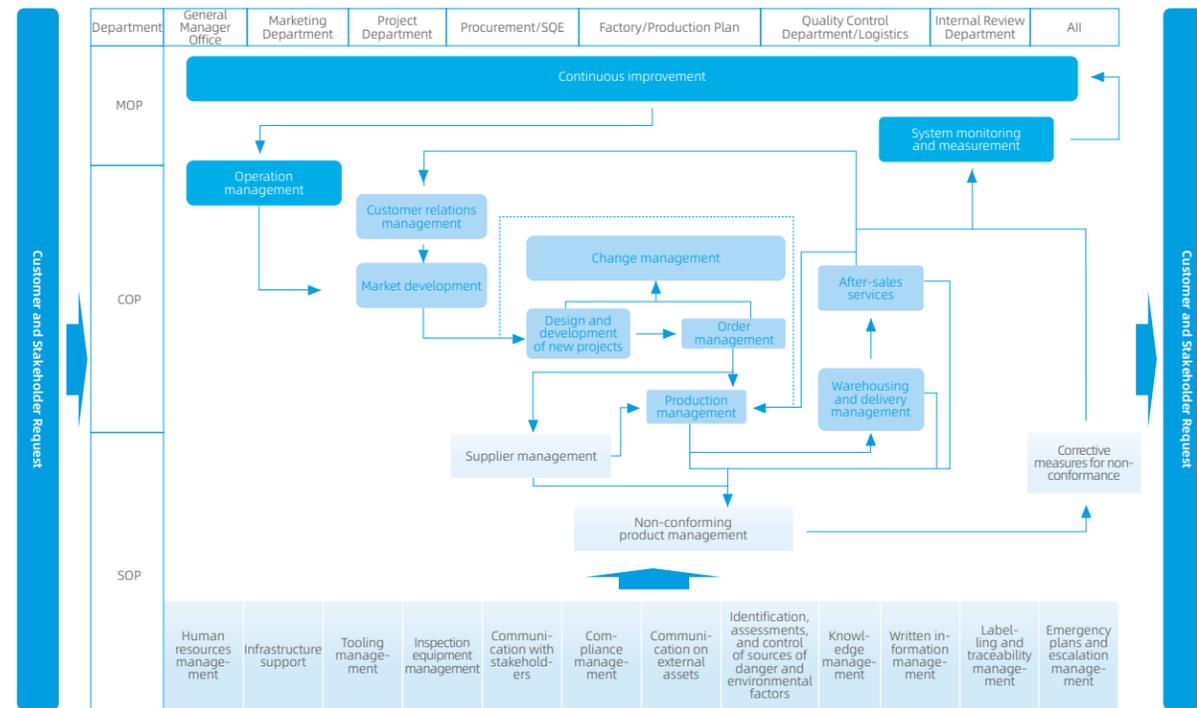
Fuyao Glass insists on the “four pillars (good grades, high quality, positive characters, and superb products) as one cornerstone and two stimuli” quality management model, which serves as the foundation for achieving the Fuyao Three Highs quality goals (high efficacy, high stability, and high performance). We continuously refine our quality management processes and leverage information technology platforms across the group and its subsidiaries. Through collaboration, employee engagement, and continuous learning, we establish a robust quality framework aimed at delivering high-quality products and services.

Quality Management System

To ensure the reliability and safety of its products, we comply with relevant product quality laws and regulations, such as the *Product Quality Law of the People's Republic of China* and the *National Standard for Flat Glass* along with industry provisions. Internally, we have established a *Quality Management Handbook* and *Management Regulations on Quality Accident Prevention and Accountability* and other internal systems to advance automotive quality management system certification and enhance quality management system development.

In 2023
26 subsidiaries of Fuyao Glass obtained IATF 16949: 2016 certification.

Fuyao Automotive Glass has implemented standardized workflow specifications for the quality system that encompasses design, production, testing, and service stages. By establishing uniform work standards and fostering collaboration across various departments, we ensure the quality of the entire workflow, and are committed to meeting the quality requirements of stakeholders. In 2023, we intensified our efforts in quality process development by refining the quality process management framework. This included the establishment of a Quality Process Department and an Internal Review Department to further bolster internal quality management.



Fuyao Automotive Glass's Standardized Workflow Specifications for the Quality System in 2023

Fuyao Glass upholds rigorous internal and external quality audit mechanisms, conducting internal quality management activities autonomously while also subjecting itself to audits and oversight from customers and third-party organizations. We carefully analyze audit findings to implement quality improvement and optimization measures, ensuring the effectiveness and compliance of our quality management practices. In 2023, Fuyao Glass conducted 26 tripartite audits for 100% of its subsidiaries. There were no quality-related complaints that caused a major impact on the market or recalls due to product quality defects.

In 2023

Fuyao Glass conducted

26 tripartite audits

for **100%** of its subsidiaries



First-party

The Company's internal audits. An internal self-audit is conducted every year for self-correction and prevention.

Second-party

Customers' external audits. Fuyao Glass regularly accepts project audits and annual system audits by customers.

Third-party

Third-party certification agencies recognized by customers conduct annual audits on the Company's quality, environment, occupational health and safety, and information security.

Fuyao Glass's Quality Tripartite Audit

Enhancing Quality Capabilities

At Fuyao Glass, we are committed to continuous improvement to enhance quality, streamline production and work processes, and minimize defective products and services. In 2023, we have upheld the quality policy of “customer-centric, full participation, scientific management, and pursuit of excellence,” implementing various quality strategies with precision and making steady progress in building quality capabilities.



Quality Enhancement Measures in 2023

Product Innovation Quality	<p>Collaborating on IPD transformation, advancing AQE and initiating early quality planning throughout the entire lifecycle starting from R&D, including:</p> <ul style="list-style-type: none"> Engaging in quality planning and coaching for new technology projects and effectively conducting quality planning for 52 projects in the R&D stage and 28 projects in the development stage, including Black EC, Zone PDLC, and Ambient Light Sunroof, leading to successful mass production Strengthening the capabilities of new technology material suppliers by introducing 1 new supplier and providing coaching to enhance the quality of 5 suppliers Establishing standardized quality planning for new technologies, setting up experience repositories for 2 items such as ambient lighting and projection sunroofs, and developing internal control standards for new technology projects, including 15 items like steel transformation
Process Collaboration Quality	<ul style="list-style-type: none"> The quality management system manual and international versions of core processes have been consistently distributed to subsidiaries, with both the manual and 11 core processes being released Encouraging the Group and its subsidiaries to identify relevant processes/activities for internal and external customers, establish corresponding service indicators, and integrate them into performance evaluations, thus improving the quality of cross-departmental collaboration within the Company Enhancing the Group's business structure, streamlining group-level processes, and addressing pain points; a total of 36 optimizations have been completed Implementing the Group process management mechanism to enhance the skills of departmental process administrators
Intelligent Manufacturing Process Quality	<ul style="list-style-type: none"> Conducting unannounced inspection and process audits Promoting quality planning and control for luxury vehicle models Conducting compliance reviews for key processes to advance process standardization Enhancing quality management for the transit warehouse Establishing IT-enabled quality laboratory platforms, launching in 6 subsidiaries, and successfully operating in Phases 1 and 2
Supply Synergy Quality	<ul style="list-style-type: none"> Enhancing the capabilities of the Supplier Quality Engineer (SQE) team by conducting SQE training and training for IATF/VDA6.3 auditors Optimizing the supplier management manual and the supplier information management platform (SRM) Providing coaching to key material suppliers, with a focus on critical domestic suppliers
Agile Services Quality	<ul style="list-style-type: none"> Ensuring quick response, such as conducting investigations on 465 overseas logistics routes and hosting visits from various new energy customers Enhancing customer service projects, including tailored initiatives for clients like Nissan and BYD, to drive customer satisfaction Establishing customer service standards, including 10 customer service manuals, and standardize lineside service processes
Fundamental Support Quality	<ul style="list-style-type: none"> Conducting specialized training for new technology projects Standardizing and providing training for experimental equipment, such as internal calibration staff, ISRA/stress/HUD training Enhancing internal control standards and quality management-related systems and processes

In 2023, Fuyao Glass focused on specialized quality improvement initiatives in pre-production quality planning, supplier quality enhancement, process and product quality, service quality, and other areas to enhance overall quality performance. Through active implementation of these measures, our objective was to drive improvements in quality performance across different sub-groups and business units. In 2023, we observed progress across all quality indicators. For instance, in the automotive glass aftermarket segment, the percentage of revenue attributable to after-market service fees decreased by 0.02% domestically and 0.06% overseas compared to the same period; market return PPM decreased by 16%; float glass rejection rate improved by 9.4% compared to 2022; the internal and external loss achievement rates for aluminum parts decreased by 4% and 5% respectively; and the qualified sample rate for decorative parts reached 98.35%.

Fuyao Glass has set up an IT-enabled quality laboratory platform to enhance quality management capabilities through technologies such as big data and intelligence. This platform incorporates a comprehensive quality inspection standard library, supporting data entry and report generation, thereby enabling standardized management and supervision to enhance quality management efficiency. In 2023, we made significant strides in introducing this information platform across our various subsidiaries. The Shenyang, Fuqing, Changchun, Tianjin, Guangzhou, and Hubei subsidiaries have successfully completed phases one and two of online applications and transitioned to the new system. The Suzhou and Shanghai subsidiaries have implemented the new system and initiated trial operations to cultivate a culture of quality.

Fostering a Quality Culture

Fuyao Glass continuously conducts quality awareness training and improvement sessions for Quality Engineers (QEs) in alignment with the requirements of product quality management across the entire process. This ensures that our quality personnel possess a profound understanding of the Company's expectations regarding quality standards, quality control, new technology quality, metrology, and other pertinent aspects, thereby further fostering the development of our quality culture. At the same time, we remain dedicated to providing quality incentives and support for our employees. Our performance evaluations are comprehensive, considering factors such as the implementation of process quality checks conducted at the beginning, middle, and end stages, product inspection levels, and adherence to on-site management standards. Our employees undergo comprehensive quality assessments, and rewards are granted to those who demonstrate excellence. This approach aims to inspire their enthusiasm and initiative in quality work, fostering a positive cycle of mutual promotion between product quality and talent development.

In 2023, Fuyao Glass

- Specialized training sessions were conducted for approximately 180 individuals, covering topics such as ambient lighting test, EC&PDLC, and dimming experience database.
- The SQE team received training on coating processes, PDLC, and EC materials for new technologies.
- Special training sessions focusing on key process controls were carried out to address the impact of summer product quality.
- Collaborative efforts with internal and external resources were made to implement training for key subsidiary QE teams.
- Internal and external training sessions were conducted on metrology operations, ISRA equipment, HUD, and other related aspects. Notably, unified metrology operations training aligned with group standards was provided to 17 newly recruited metrology personnel in subsidiaries.

Enhancement Training for Fuyao Glass's ISRA Equipment Testing Skills

In October 2023, Fuyao Glass conducted specialized of-line training for key personnel on the quality inspection equipment ISRA. The training covered the principles of ISRA equipment, hands-on practice, troubleshooting in production, and other related topics. The goal was to help employees master the operation skills of ISRA equipment, ensuring correct operation and effective utilization in their work. This training aims to reduce quality issues in production processes and enhance the efficiency and accuracy of quality management.



On-site Training for Improving ISRA Equipment Inspection Skills

Optimizing Customer Experience

At Fuyao Glass, we prioritize protecting our customers' rights and interests by enhancing customer service processes, 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

Fuyao Glass strictly complies with national laws, regulations, and industry standards, and has established internal systems such as the *Customer Service Management Regulations* and the *Return Management Process* to strengthen service management standards. Our goal is to enhance service quality for our global customers, effectively protect customer rights, and improve the efficiency of customer service operations. In 2023, Fuyao Glass established 10 customer service manuals for major automotive OEMs. These manuals delineate various customer service tasks by business category, standardizing the management of customer service processes, and encompassing multiple renowned automotive brand clients.

We place emphasis on a comprehensive service system that prioritizes "rapid response, project-based enhancement, and standard establishment." Through internal controls, regular communication, and prompt issue resolution, we actively foster a positive service environment, aiming to improve customer satisfaction. In 2023, Fuyao Glass optimized customer service speed and efficiency, achieving a 99% settlement rate for customer issues and an 81% pass rate for customer performance evaluations.

Optimizing Pre-Service Standards

- Conducting investigations on 465 overseas logistics routes;
- Planning for early-stage overseas market development;
- Customer visit plan compliance rate is 85%;
- Monitoring performance of 44 OEMs.

Enhancing Rapid Response

- Implementing 8 project-based improvements;
- 10 quality special management requirements;
- Customer complaint settlement rate on time is 99%;
- The rate of release from control is 100%.

Conducting Project-Based Post-Service Improvements

- Establishing 10 customer service manuals;
- 13 improvement strategies for horizontal benchmarking;
- Establishing a cross-company customer service communication matrix;
- Standardizing lineside service processes.

Special Actions to Improve Service Quality in 2023

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 provide the customer with preliminary investigation results within three working days and a formal research report, progress, and improvements within seven working days. Moreover, we have unblocked channels for customers to submit their feedback, including a dedicated quality mailbox (fy.qualityservice@fuyao.com) to receive customer opinions and feedback and ensure that full-time staff can follow up and solve problems timely. In 2023, Fuyao Glass had no major customer complaints of recalls.

Ensuring Information Security

We prioritize the protection of customer privacy and information security, adhering to national laws and regulations such as the *Data Security Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*. To fulfill our obligations in this regard, we have established internal regulations including the *Information Security Management Manual*, the *Information Assets Control Regulations*, the *Management Regulations on the Information Security Code of Conduct*, and the *Regulations for Personal Information Protection*, thereby ensuring lawful protection of user information.

In 2023, we revised internal management documents such as the *Information Security Management Manual* and the *Management Regulations on Information Security Monitoring and Measurement*. We updated our information security policy to emphasize the importance of "enhancing information security awareness, standardizing information security behavior, reducing information security risks, and supporting digital transformation and globalization efforts". We set information security objectives and indicators and implemented more rigorous assessment methods to provide strong support for information security and better achieve related goals.

During the reporting period

Fuyao Glass recorded no customer privacy leaks.



We have formulated and implemented a comprehensive information security strategy to ensure the confidentiality of customer information and data. We employ a combination of technological and managerial measures to guarantee its security. Technologically, we employ measures such as file-level encryption and strict access control to maintain the confidentiality, integrity, and availability of data throughout its lifecycle, rigorously guarding against data loss and leaks. In terms of management, our Information Security Committee conducts regular internal audits and assessments of information security. We actively address identified issues through effective validation and improvement processes, ensuring timely responses to information security concerns and preventing unauthorized access, disclosure, or misuse of customer information. We have passed the ISO 27001:2013 information security management system certification and TISAX AL3¹ automotive industry-standard information security assessment certification. Moreover, we are actively encouraging our subsidiaries to obtain these certifications.

In 2023, Fuyao Glass

- Conducted network security audits for both internal and external networks across the entire group. This included comprehensive vulnerability scanning, penetration testing of core business systems, and simulated attack and defense exercises. Identified issues during audits were promptly addressed to effectively mitigate security vulnerabilities.
- Performed information technology (IT) security audits for 13 subsidiaries, including Fuyao Automotive Glass and Fuyao Float Glass, to ensure alignment with group standards.
- Successfully achieved TISAX AL3 on-site certification for the Shanghai, Hubei, Suzhou, and Chongqing subsidiaries. As of December 31, 2023, the Group headquarter and eight subsidiaries obtained TISAX certification.

We actively enhance employee awareness of information security protection through various measures. These include signing specific project confidentiality agreements with project members, conducting regular awareness training sessions, and organizing information security emergency drills. We aim to instill in employees a deep understanding of the importance of information security in our business operations, enhance their ability to respond to security emergencies, reduce potential risks, and safeguard both internal and customer information. In 2023, information security-related training covered 24,373 employees, totaling 15,360.5 training hours.

Five Information Security Training Sessions

- Training on standards and regulations: Comprehensive training on compliance awareness of the *Personal Information Protection Law of the People's Republic of China*; training on the *General Data Protection Regulation (GDPR)* of the European Union; and training on ISO 27001:2013 Information Security Management System certification
- Specialized business training: training on business continuity, information security management and technology, secure software development, and automotive data security management

Five Information Security Emergency Drills

- Emergency drill for large-scale virus infection in terminals
- Emergency drill for power failure in computer rooms
- Emergency drill for the failure recovery of the MES, ERP, and PLM systems

Note 1: 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.

Fuyao Glass Conducting Compliance Training on Automotive Data Security

In 2023, the Company invited the Group Data Protection Officer to conduct compliance training on automotive data security. The training was tailored for departments involved in smart product development and covered a comprehensive overview of data security and privacy compliance laws and regulations, automotive data security protection and management measures, as well as requirements and implementation guidelines for data export self-assessment. This training aimed to equip employees with a strong understanding of legal requirements and robust security measures while enhancing the security of cross-border data transfers to protect customer automotive data privacy globally. The training lasted a total of 3 hours and covered 26 individuals.

The training lasted a total of

3 hours

covered

26 individuals



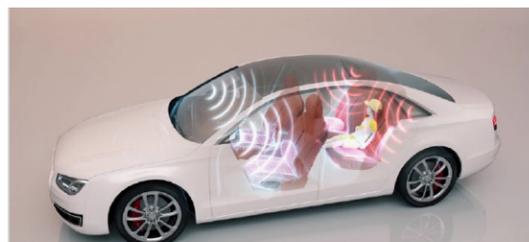
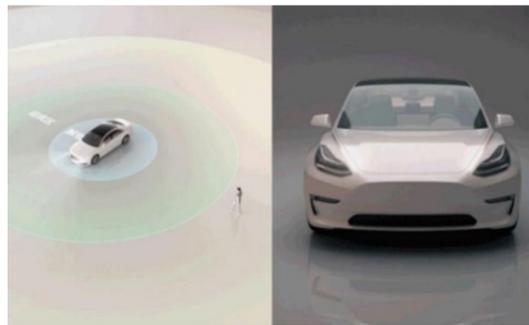
Focusing on Product Innovation

We adhere to the “leading technology and intelligent production” strategy, actively embracing new trends and hotspots of the automotive industry, particularly in areas such as “electrification, intelligence, connectivity, and sharing.” Our focus lies in driving innovations across five key domains: safety, intelligence, environmental protection, decoration, and assembly. We prioritize investment in product research and development (R&D) and innovation to translate R&D outcomes into practical features that address a broader range of market demands. In 2023, our R&D efforts were directed toward smart sensing, lightweight design, and signal transmission with the aim of meeting consumer demands for information interaction, safety, environmental protection, and communication functions.

Innovative Smart Sensing Accessories to Meet Personalized Demands

Fuyao Glass innovatively employs UWB (Ultra-Wideband) accessories with carrier-free communication technology, primarily for keyless entry functions in vehicles. This innovation departs from the conventional practice of installing anchor points on the front and rear bumpers, instead pioneering a method of concealing anchor points inside the glass. This approach reduces the probability of collision damage while effectively minimizing signal attenuation by the vehicle body. Vehicles equipped with UWB accessories can intelligently adjust the sensing zone (10 meters), welcome zone (5 meters), and unlocking zone (2 meters) based on the distance between the vehicle owner and the vehicle. This enables precise positioning at the 0.1-meter level and quick response in complex environments, offering advantages such as high precision, fast communication, and enhanced security.

UWB accessories provide full vehicle coverage, enabling live body detection to promptly identify any missed life forms and notify designated personnel. Moreover, UWB accessories support intelligent interconnectivity functions such as light indication, rearview mirror adjustment, seat memory, and unlocking, offering each vehicle owner a personalized user experience. Fuyao Glass’s UWB accessories won the Gold Award of the Forward-looking Body System category in the 2023 Lingxuan Awards.



Smart Sensing Accessories

Develop lightweight Components to Support Energy Efficiency and Reduce Consumption

Fuyao Glass has developed a new type of luggage rack installed on the vehicle body. Connecting the crossbar through the load-bearing bracket and shell reduces the strength requirements for the shell structure, helping to lighten the weight of the shell and the overall luggage rack. This not only reduces raw material costs and production energy consumption but also decreases the vehicle’s weight, and enhances vehicle performance, ultimately reducing fuel consumption during driving.



lightweight Components

Enhance Safety Performance by Optimizing Glass Components

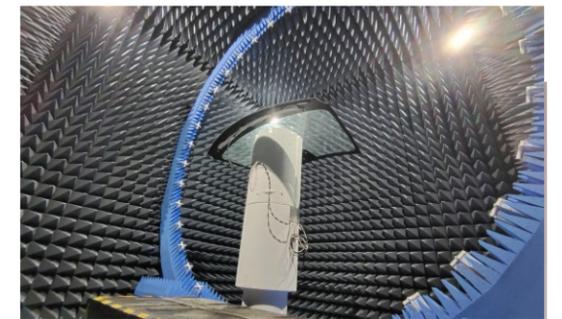
Fuyao Glass actively engages in technical optimization to reduce the coefficient of linear thermal expansion and surface compressive stress of the first and second glass. By synergistically coordinating these two types of glass, it enhances the energy absorption and cushioning performance of the glass components when subjected to high-speed impacts. Glass components can withstand low-energy impacts from sharp objects without fracturing, demonstrating sufficient resistance to stone impacts and effectively reducing the impact of collisions on the safety of vehicle occupants.



Glass Component Optimization Results

Fuyao Glass has Reached New Heights in Antenna Technology, with the New Product Adding Fresh Momentum to the Automotive Electronics Sector

In 2023, the Company successfully developed and mass-produced several new antenna products, further integrating glass with antennas to provide customers with comprehensive system solutions. Antenna glass has gradually become the preferred choice for automakers aiming to achieve optimal performance in onboard wireless systems. As glass antenna challenges are continuously overcome and collaboration with clients and upstream and downstream validation deepens, the Company’s proposed “space sharing, functional coexistence” glass antenna solution is gradually coming to fruition. With the thriving development of smart connected vehicles, it is poised to usher in new opportunities for industry application.



Antenna Technology Product

Fuyao Seizes the Opportunity in Smart Accessory Applications and Embraces the Digital Intelligence Era

In 2023, Fuyao Automotive Trim’s joint application with the Institute of Research on the Structure, Chinese Academy of Sciences for the project “Development and Application of Integrated New Smart Vehicles B-pillar” was approved by the Fujian Science and Technology Department. This project aims to develop a highly integrated and intelligent new smart vehicle B-pillar, providing the ideal platform for smart sensing, data processing, and human-machine interaction. It represents the best solution for the industrialization of smart vehicles, enabling automakers to create integrated intelligent and convenient components.



Smart Accessory

Protecting Intellectual Property Rights

We strictly abide by the Patent Law of the People's Republic of China, the Copyright Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, and other applicable laws and regulations. We have developed internal management systems such as the Patent Management Regulations and the Regulations on Fair Competition, aiming to safeguard our intellectual property rights while also valuing and respecting the intellectual property achievements of others. In 2023, we established the Guidelines for the Formulation of Intellectual Property-Related Clauses in Cooperation Agreements to ensure fair inclusion of such clauses. Additionally, we introduced the Patent Early Warning Analysis Process to proactively prevent any infringement of others' intellectual property rights. This initiative aimed to standardize the practice of patent early warning analysis and management, enhance the quality of early warning analysis, and leverage intellectual property to support our business.

We have developed the Patent Application and Maintenance Process, the Patent Review Rules, and the Patent Agency Review Rules to regulate the patent application and maintenance process from proposal, review, submission, management, maintenance, and review. These policies ensure that our patent applications comply 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 contributions. Moreover, we have set up innovative awards, aiming to inspire employees' innovative spirit.

In 2023, we developed the Selection Criteria for High-Value, High-Quality Patents based on our existing incentive measures. This involved establishing criteria and reward rules for selecting high-value, high-quality patents. The goal is to cultivate a conducive innovation environment and inspire employees to actively participate in patent invention and creativity, ultimately driving the output of superior patents.



In 2023

- The Company applied for **560** patents, an increase of **9%** over the same period. It reflected a steady growth in technological innovation achievements.
- The authorization rate for invention patents is over **80%** achieving an overall improvement in the quality of intellectual property rights.
- Fuyao Group (Fujian) Machinery Manufacturing Co., Ltd. was selected as a **National Intellectual Property Advantage Enterprise**.
- Fuyao Automotive Aluminium System (Fujian) Co., Ltd. and Fujian Fuyao Automotive Trim System Co., Ltd. were recognized as an **Intellectual Property Advantage Enterprise in Fuzhou City**.

including domestic and international invention patents
280
122

Patents Applied for and Granted from January 1st, 2023 to December 31st, 2023 (for the Whole Group, Including Subsidiaries)

Project Type	Domestic Invention	International Invention	Domestic Utility Model	Domestic Design	PCT	Total
Number of Applicants	232	63	191	11	63	560
Number of Grants	121	1	146	12	/	280

Accumulated Patents Granted to the Company by December 31st, 2023 (for the Whole Group, Including Subsidiaries)

Project Type	Domestic Invention	International Invention	Domestic Utility Model	Domestic Design	PCT	Total
Number of Applicants	1,367	83	1,763	32	132	3,377
Number of Grants	678	11	1,622	23	/	2,334

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. We 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.

IT-based Patent Management



Business Processes

- The whole-lifecycle management of patent processes, cases, and items;
- Monitor the progress of patent examination and provide intelligent reminders for charges and deadlines to reduce the risk of overdue.



Intelligent Filing

- Document archiving and automatic update of patent data and process data;
- Industry patent data is entered into the database for retrieval by technical engineers.



Risk Patents Warning

- Task monitoring for patent infringement analysis and responses to patent risks;
- Establish an intelligence database including patent early warning and patent presence to identify risky patents.

Upholding Human Orientation

and Becoming the Best Employer Trusted by Global Employees

At Fuyao Glass, we adhere to the "human-oriented" philosophy, ensuring the protection of employees' rights and interests. We continuously enhance our employee welfare system, providing various avenues for talent development and supporting career growth and development. Additionally, we place a strong emphasis on occupational health and safety measures, ensuring the well-being of our employees. We are dedicated to safeguarding their safety and health and fostering mutual growth with our workforce.

04



Annual Highlights

61.08%
of our employees having received training on anti-discrimination and anti-violation of human rights

50%
of workplaces having conducted human rights assessments

73.08%
of locations with human rights protection initiatives in place

65.91%
of our employees were covered by the collective bargaining agreement

30.42%
with participating in the election of worker representatives

12
employees were provided with assistance

and the amount of assistance
1.53 million yuan

100%
of the main business operating facilities have passed ISO 45001:2018 occupational health and safety management system certification

Safeguarding Employees' Rights and Interests

At Fuyao Glass, we prioritize the protection of employees' basic rights. We strive to cultivate a diverse and equitable workplace environment for all team members. Our aim is to attract talent from around the globe through fair and transparent practices and offering competitive compensation packages. We have established flexible and effective communication channels, aiming to collaboratively create a fair, harmonious, and positive work environment. As of the end of the reporting period, Fuyao Glass had a workforce of 32,721 employees.

Fuyao Glass had a workforce of

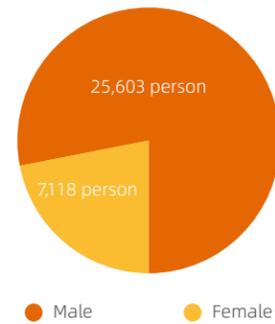
32,721

Fuyao Glass's Employee Composition in 2023

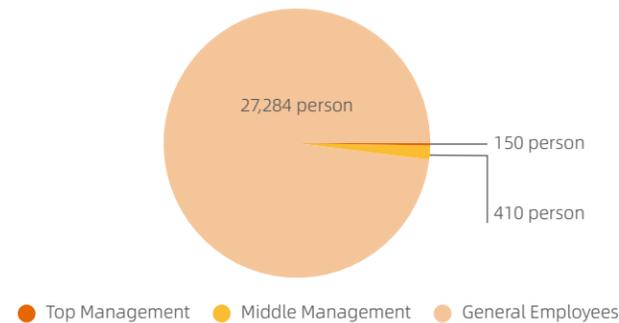
The Number of Employees Based on the Type of Employment



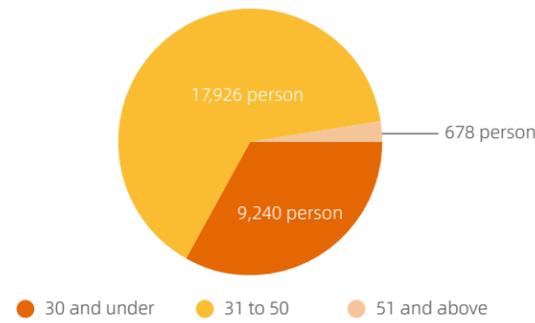
The Number of Employees Based on Gender



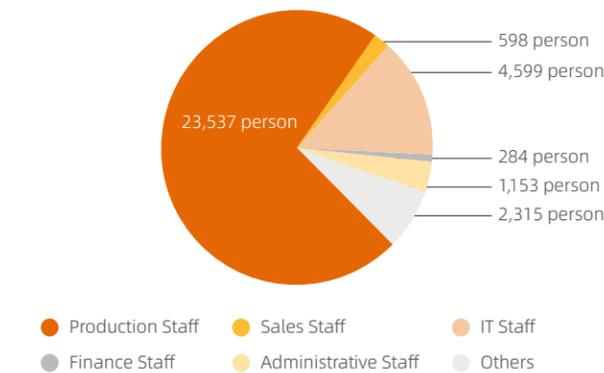
The Number of Employees Based on Rank (Chinese mainland)



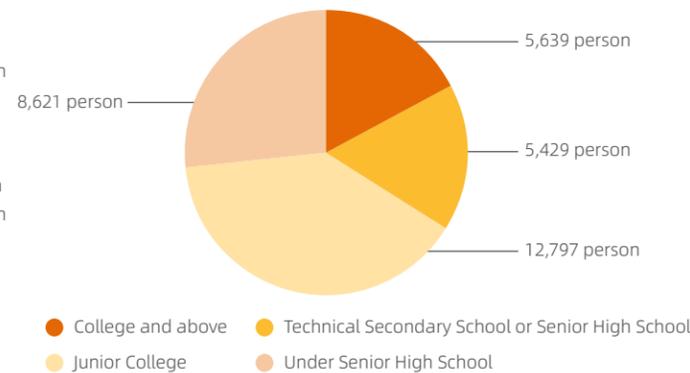
The Number of Employees Based on Age (Chinese mainland)



The Number of Employees Based on Profession(On the payroll)



The Number of Employees Based on Education(On the payroll)



Turnover of Employees at Fuyao Glass in 2023

Performance Name	Number of people	Rate	
Total Employee Turnover	6,355	16.3%	
The Employee Turnover Rate Based on Gender	Male	5,187	16.8%
	Female	1,168	14.1%
The Employee Turnover Rate Based on Age (Chinese mainland)	30 (Excluding) and under	3,233	25.9%
	30 to 50 (Excluding)	3,026	14.4%
	50 (Including) and above	96	12.4%

Legal Employment

We strictly comply with laws and regulations such as the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China. Internally, we have established specific documents such as the Regulations on Recruitment Management, the Management Regulations on Personal Information Protection for Human

Resources, and the Regulations on Safeguarding Workers' Rights and Interests, effectively protecting the legitimate rights and interests of employees. We prohibit the employment and use of child labor, as well as any form of forced labor practices. During the reporting period, there were no incidents of child labor or forced labor in our operations.

Fuyao Glass's Policies and Requirements for Legal Employment

- Explicitly prohibit the use of child labor and forced labor, and provide training for recruitment personnel to ensure compliance.
- During the recruitment process, candidates undergo thorough document review, with each candidate required to provide valid identification for verification. In the employment process, we uphold the principles of fairness and voluntariness, strictly prohibiting any form of forced labor.
- Taking diversity into account, it is explicitly stated that discriminatory selection criteria unrelated to work are prohibited in employee management, including recruitment, training, promotion, demotion, or termination of employment.
- Emphasizing the attitude of understanding and inclusivity, we respect the cultural and individual differences of employees from various regions. We treat all employees with equal respect and provide equal opportunities for development to all staff members.

Certification Status of Fuyao Glass in the Management System of Labor and Human Rights in 2023

The proportion of our employees having received training on anti-discrimination and anti-violation of human rights

61.08%

The proportion of workplaces that received human rights inspections

50%

The proportion of places that introduced human rights safeguards

73.08%

Employee Diversity Performance of Fuyao Glass in 2023

The proportion of employees from minority or vulnerable groups

4.67%

The proportion of senior executives from minority or vulnerable groups

2.67%

The proportion of female senior executives

9.33%

Remuneration and Incentives

At Fuyao Glass, we uphold the principles of “fairness, competition, incentives, economy, and legality,” offering employees a competitive remuneration system to attract, retain, and motivate top talents, aiming to support the long-term development of the Company. We have developed the Remuneration Management Regulations and the Employee Performance Management Regulations, offering all employees a salary structure comprising base salary, allowances, job performance, and overtime pay. The performance bonuses are linked to the Company’s annual strategic and operational objectives, combined with individual goals, and reviewed regularly. Through quarterly and annual assessments, employees are incentivized to contribute to the Company’s performance. Additionally, we prioritize fairness in performance assessments, mandating that managers engage in quarterly one-on-one performance discussions to provide feedback to employees on evaluation outcomes and offer relevant resource support.



Employee Communication

At Fuyao Glass, we value the needs of our employees, actively listen to their feedback, and uphold their rights to freedom of association and collective bargaining. In accordance with relevant national laws and regulations, we have established institutional documents such as the *System of Employees’ Congress*, the *Regulations of Representative Congress for Employees*, and the *Regulations of Representative Congress for the Trade Union*. We regularly hold these congresses to gather employees’ input, encouraging active involvement in democratic decision-making, management, and supervision within the Company.

Employee Collective Bargaining Status of Fuyao Glass

The proportion of our employees covered by the collective bargaining agreement

65.91%

The proportion of our employees formally elected as representatives

30.42%

We offer avenues for anonymous reporting and have established channels for appeals. Employees can file complaints or reports through channels such as the Human Resources Management Center and the Trade Union, with strict protection of their information. In addition, we conduct regular events such as Communication with CEO and Voice from Employees to provide employees with an open and interactive platform. This allows management to gain genuine insight into the challenges and suggestions of frontline employees, fully supporting their right to voice opinions.



Improving Talent Development

At Fuyao Glass, we prioritize the contributions of our talented workforce and are dedicated to empowering our employees for mutual growth. We are dedicated to creating a systematic, diversified, and all-inclusive talent development system that prioritizes employee growth and features a strong training framework. Our objective is to cultivate robust talent pools by fully harnessing the potential of our employees.

Employee Promotion

We have established clear promotion management measures, aligning with our business philosophy of “Tapping into the Full Potential of Talents” and focusing on development-oriented and performance-driven approaches. We have formulated internal documents such as the *Regulations on Cadres Management* and the *Regulations on Performance Incentives*, outlining internal promotion schemes and stimulating the vitality of both the Company and its talent.

We have established two career development paths in management and professional fields, along with professional qualification standards for technical positions. We evaluate employees based on their ethical qualities, values, contributions, abilities, and experiences. We also have defined clear

job qualification requirements and approval processes. Our goal is to build a sustainable talent promotion system.

We are committed to nurturing a strong talent pool by harnessing the abilities of our internal workforce and providing them with ample opportunities for advancement and mobility within the Company. We have set up an internal talent reserve pool that aligns job management needs with talent development plans to identify and cultivate exceptional individuals. We prioritize selecting talent from the leader reserve pool and continuously refine our selection system for young leaders. Our goal is to create an environment where all types of talent can thrive and contribute fully, thereby providing robust support for the Company’s high-quality development.

Employee Training

At Fuyao Glass, we are committed to providing every employee with opportunities to grow and develop their skills, by designing training plans tailored to employee needs and the Company’s development goals. We adopt both online and offline training methods, designing plans and projects to fit each employee’s level and role. The establishment of the Fuyao Academy allows us to improve our internal training system and guide our subsidiaries in conducting training programs to nurture versatile talents. In 2023, we launched YaoXue, our internal digital learning platform, providing instant access to resources. Through this platform, we provide employees with a more convenient way to learn, supporting in-depth learning and personalized teaching.

Achievements in the Development of the YaoXue Digital Learning Platform in 2023.

2,714

online courses were offered

5,962

learning tasks were assigned

3,154

specialized exams were conducted

The cumulative total online duration reached

260,121.5 hours

Employees accumulated a total learning duration of

105,713

users were activated

28,101

The activation rate reached

95.54%

The number of active users reached

8,077,802 individuals

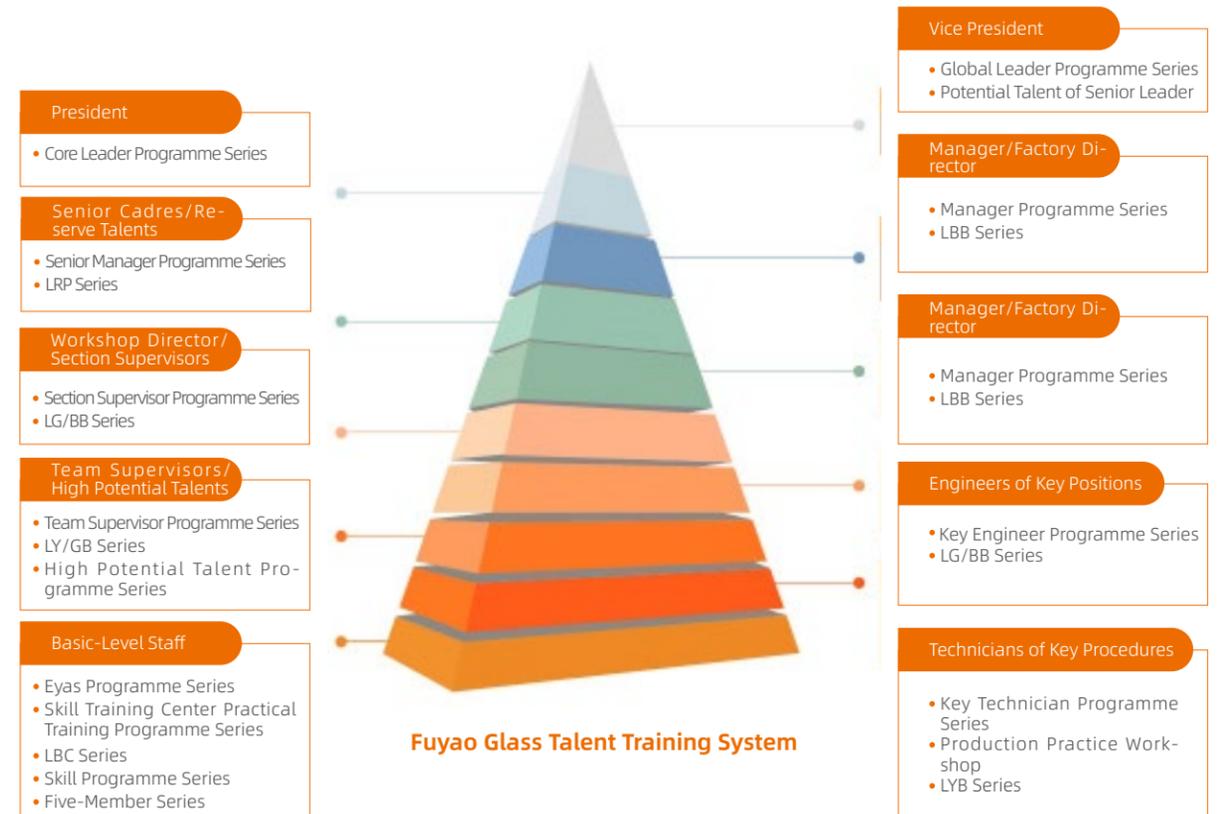
The activity rate was

100%



The YaoXue Digital Learning Platform

We have developed a robust training system that offers customized training for employees at various levels and roles. This includes graduate training camps, management cadre reserve training programs, and R&D system personnel training. We encourage employees to select appropriate learning programs, enhancing their self-worth while contributing to the Company’s development.



Training of Employees at Fuyao Glass in 2023

Total training hours by gender



Total training hours by ranks



Proportion of trained employees by gender



Proportion of trained employees by ranks



Fuyao Glass Conducted Graduate Training Camp

In 2023, Fuyao Glass organized a three-week summer training camp for university graduates, totaling 98 participants. During the training camp, participants gained insights into the Company's environment and developed job awareness through various workplace general knowledge courses and basic knowledge courses related to Fuyao. Moreover, the training camp included knowledge competitions, debates, and a Blue Dream Gala, enhancing the participants' daily experiences and facilitating the development of strong friendships. This training camp helped participants enhance their industry awareness and supported them in transitioning from students to Fuyao employees.



Fuyao Glass's Graduate Training Camp



Fuyao Glass Organized a Middle to Senior-Level Management Cadre Reserve Training Program

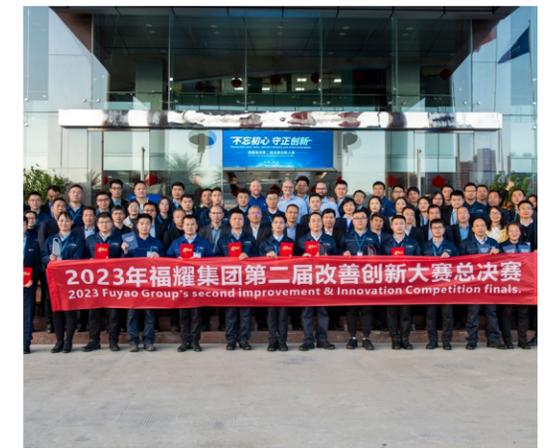
To address Fuyao Glass's strategic business and organizational development needs and bolster the talent development system for management cadres, we launched a middle to senior-level management cadre reserve training program. This initiative is designed to enhance the overall quality of management cadres comprehensively. The program employs an integrated talent development model, emphasizing the "integration of training with practical application," assisting participants in applying their acquired management skills in practical work settings. During the graduation defense, the panel of judges, leveraging their practical experience, offered participants timely and precise advice. This guidance has accelerated the growth of participants and contributed to the development of a high-performance learning team.



Fuyao Glass's Middle to Senior-Level Management Cadre Reserve Training Program

Fuyao Glass Hosted the Second Improvement and Innovation Competition

In 2023, Fuyao Glass hosted the Second Improvement and Innovation Competition, creating an innovative platform for Fuyao employees and contributing to Fuyao's creation and intelligent manufacturing with high-quality, improved, and innovative projects and other outcomes. The competition consisted of three tracks and drew participation from nearly 10,000 employees across 23 domestic and international subsidiaries. After 10 online coaching sessions and evaluations by group experts, a total of 65 entries progressed to the group finals, with 18 entries reaching the ultimate showdown. This competition effectively engaged all Group employees in improvement and innovation activities, enhancing their motivation to improve and boosting the professional skills of on-site staff. It consistently enhances employees' awareness and capabilities in innovation, fostering continuous improvement, innovation, and breakthroughs, thereby contributing to Fuyao's high-quality development.



The Second Improvement and Innovation Competition of Fuyao Glass

Taking Care of Employees

At Fuyao Glass, we pursue a people-oriented approach in everything we do. We provide employees with diverse benefits and actively organize employee activities to promote cohesion within the organization and enhance their overall happiness.

- // We have formulated the *Welfare Management System*, offering employees various benefits, including supplementary commercial insurance, paid leave, health check-ups, and holiday greetings.
- // Aiming to enrich the leisure activities of employees, we have set up facilities such as libraries, gyms, and basketball courts, and regularly conducted team-building activities like birthday celebrations, sports events, and outings.
- // We have established the *Management Regulations on Employee Attendance and Holiday* to systematically schedule employees' vacations and production, effectively safeguarding employees' vacation rights and helping them better balance work and life.
- // We have published the *Regulations on Employee Assistance* 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 them subsidies and essential support to show our compassion. In 2023, we helped 12 employees in need and gave 1,533,800 yuan in total.

Celebrating the Lantern Festival with Eating Glutinous Rice Balls and Guessing Lantern Riddles

International Women's Day Celebration

Arbor Day Activities

Dragon Boat Festival Outing

Water World Summer Parent-Child Outing

Family Open Day

Celebrating Mid-Autumn Festival and Welcoming National Day Large Pastry Fair

The 17th Sports Meeting

Employee Birthday Party

Partial Employee Care-themed Activities



Our efforts extend to actively organizing diverse corporate cultural activities, with the aim of nurturing a culture of happiness and creating a sense of home at Fuyao. These activities help employees strike a better balance between work and personal life, fostering a stronger sense of belonging. In 2023, we launched the Micro Blessings application on our enterprise WeChat account. This allows us to send heartfelt greetings to employees on special occasions such as joining the Company, becoming regular employees, birthdays, and work anniversaries. Additionally, we organized various themed activities to enrich employees' lives.

In 2023

we sent birthday wishes to

14,487 individuals

new hire wishes to

2,745 individuals

work anniversary wishes to

16,411 individuals

promotion wishes to

2,565 individuals



2023 Partial Employee Activity Scene of Fuyao Glass

Fuyao Glass's Employee Birthday Celebration

To demonstrate the Company's human-centric management and genuine care for its employees, the Company regularly hosts birthday parties for employees, providing them with exquisite gifts to express gratitude and blessings for their dedication. Additionally, the employee birthday celebration serves as a relaxed platform for them to interact, fostering a warm family-like atmosphere and helping employees maintain a positive work mindset.



Fuyao Glass Organized Employee Birthday Celebration

Fuyao Glass also places a high priority on creating a conducive working environment for its employees. To this end, we have implemented employee well-being programs to make continuous improvements in areas such as clothing, food, housing, and transportation.

During the reporting period

- Tongliao Float Glass improved working conditions and accommodation facilities, creating a clean, tidy, and comfortable work and living environment for employees.
- Shenyang Automotive Glass upgraded the tea room. It installed complimentary beverage dispensers, integrated water dispensers, and coffee machines, providing daily tea break snacks.
- Changchun Automotive Glass optimized the restrooms in the production workshop and improved winter temperatures in the factory by adding new door curtains. It also enhanced dormitory layouts and infrastructure, introduced 45 automatic washing machines in the public laundry room, and expanded the number of beds in university student dormitories by over 100.

Fuyao Glass's Celebration for International Women's Day

The Company protects the basic rights of female employees, genuinely cares about their well-being, and holds theme-related activities on International Women's Day each year, providing care and support for them. In 2023, Fuyao Glass's various subsidiaries organized activities such as "Goddess Festival Camping Party," "Princesses' Gathering," "Skillful Hands, Creative Minds - Fan Making," and themed events like "Goddess Festival Movie Night", supporting female employees in balancing work and life.



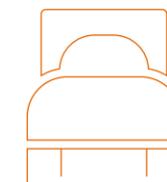
Fuyao Glass Organized International Women's Day Camping

introduced automatic washing machines in the public laundry room

45

expanded the number of beds in university student dormitories by

over 100



Shenyang Automotive Glass Conducted Upgrades and Renovations to the Tea Room



Changchun Automotive Glass Renovated the Dormitories and Added Automatic Washing Machines

Ensuring Health and Safety

At Fuyao Glass, we uphold the production philosophy of “safety first,” and actively engage in work safety management and emergency drills, striving to create a safe and healthy work environment for all employees. Moreover, we invest in occupational health and safety measures to prevent, control, and eliminate potential hazards in the workplace promptly. We provide personal protective equipment (PPE) that meets national occupational health standards and requirements, thus ensuring the full protection of employees’ health.

Production Safety System

We strictly adhere to laws and regulations such as the *Work Safety Law of the People’s Republic of China*, the *Regulations on Reporting and Investigation of Work Safety Accidents*, the *Regulations on Work Safety License*, and the *Regulations on the Safety Management of Hazardous Chemicals*. We have developed documents such as the *Measures of Work Safety* and the *EHS Management Brochure*. To address various aspects of safety management, including equipment and facility management, operational safety, accident and emergency management, performance monitoring, and improvement, we have established a range of institutional documents. These include the *Regulations on EHS Responsibility*, the *Work Permit Management Regulations*, the *Management Regulations on EHS Training and Skills* and the *Contractor and Supplier Management Regulations*. These regulations aim to comprehensively standardize work safety rules and requirements, and promote a harmonious integration between work safety and high-quality development.

To ensure the effective integration of safety, occupational health, and environmental protection principles into our daily production operations at Fuyao Glass and our subsidiaries, we have established the EHS Department. This department is responsible for building a companywide EHS management system and overseeing the development of EHS systems at the subsidiary level. We have set up a Workplace Safety Commission, appointed safety affairs representatives, and designated safety, environmental protection, and occupational health specialists at the subsidiary level.

We included safety management performance as part of the assessment criteria. Our goal is to implement occupational health and safety management requirements and strengthen our internal safety and health management practices.



EHS Management Structure of Fuyao Glass

In 2023, the proportion of employees representing the Health and Safety Committee reached

1.72%

Production Safety Performance of Fuyao Glass

Performance Name	Unit	In 2023	In 2022	In 2021
Work-Related Deaths	Person	0	0	0

Fuyao Glass encourages its subsidiaries to enhance safety systems and obtain relevant certifications. By doing so, the Company effectively improved the operation of its safety management system.

In 2023, Fuyao Glass's injury rate per thousand people

4.08%

In 2023, Fuyao Glass's lost working hours due to work-related injuries

70,412

During the reporting period, 21 Fuyao Glass's main operating facilities of the business passed the ISO 45001: 2018/OHSAS 18001 certification, representing a total proportion of

100%

Safety Management Measures

Guided by the principle of “safety first,” we have established a work safety responsibility system to ensure responsibilities are assigned at all levels. We conduct identification and assessment of safety risks and hazards, and implement control measures for the identified hazards. We continuously optimize the emergency response management system, develop plans and implement various safety drills, regularly conduct safety inspections and assessments and cultivate safety awareness among our employees. These concerted efforts aim to comprehensively enhance the Company’s safety management practices.

Safety Inspection and Assessment

We actively promote the work safety policy of “safety first, prevention-oriented, and comprehensive treatment,” aiming to effectively implement work safety measures and minimize the occurrence of all types of accidents. This commitment is reflected in our daily and monthly safety inspections, behavior-based safety assessments, and daily safety patrols to eliminate hidden risks and dangers as per the *Regulations on Safety Inspection and Hazard Rectification*. In 2023, we conducted safety hazard inspections during the long holiday period and organized specialized inspections on electrical modules, ensuring the timely detection and elimination of safety hazards.



Fuyao Glass Conducted Safety Inspections Before the Spring Festival



Our dedication to safety is further exemplified through our launch of 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. With a particular emphasis on safety, we prioritize metrics such as work-related injuries per 1,000 employees, which carries 50 points in our evaluation process. We consistently monitor performance metrics, conduct root cause analysis, and implement timely corrective measures, all supported by a robust management system.

Fuyao Glass Regularly Monitors Safety Indicators

<p>A weekly safety report is compiled to document safety accidents, with each subsidiary required to independently conduct horizontal investigations and training.</p>	<p>Monthly vertical meetings focusing on safety and environmental systems serve as vital platforms for evaluating safety indicators’ fulfillment, disseminating regulatory policies, and fostering EHS management learning. During these meetings, companies that rank lower horizontally report their performance, while those excelling share their best management practices and improvement initiatives.</p>	<p>Quarterly safety benchmarking is carried out, conducting horizontal evaluations across six dimensions: Work-Related Injuries per 1,000 Employees, Accident Loss Costs, Repetitive Work Injury Frequency, Hidden Hazard Inspections, Improvement Projects, and Frequency of Red Line Incident Occurrences. Companies meeting quarterly benchmarks receive rewards, while those falling short are required to formulate corrective action plans, which they present during the monthly meetings.</p>
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Safety Awareness Promotion

We are dedicated to instilling a safety-centric culture across every level of our workforce. We strictly adhere to the *Provisions on Safety Training of Production and Operation Units* and the *Safety Education and Training Management Regulations*. We have established the *Management Regulations on EHS Training and Skills* and organized safety training and promotion to enhance employees' awareness of work safety. During the reporting period, we conducted a series of educational and promotional activities, including safety training for new employees, production of safety awareness videos, safety inspections, and training before the Spring Festival, the first safety education session upon resumption of work after the holiday, and workshop safety management training. These concerted efforts have proven instrumental in augmenting employee safety consciousness and proficiency, thereby providing steadfast support for the Company's work safety.

In 2023

84,413

individuals participated in work safety and occupational health-related training sessions

139,457

hours



totaling

Fuyao Class "Work Safety Month"

In 2023, Fuyao Glass organized the "Work Safety Month" campaign with the theme of "Everyone Talks Safety, Everyone Knows Emergency Response," advocating for a safety culture. During the activity, the Company organized themed safety education and training sessions, focusing on safety concepts and key points of laws and regulations. These sessions included explanations and typical accident case studies to alert employees to their responsibilities and enhance safety management practices. Additionally, the Company launched a "Work Safety Month" section and a safety activity column on the "YaoXue" platform, offering specialized work safety-related training. Our goal is to provide a stronger safety assurance for the Company's high-quality development.



Fuyao Glass's Promotional Posters for "Work Safety Month"



Fuyao Glass Conducted Safety First Aid Training

Emergency Drills

We have established the *Emergency Management Regulations* to standardize emergency system management, ensuring the swift and methodical execution of response measures in the event of emergencies. In 2023, we organized all employees to conduct safety drills, including fire emergency evacuation drills, earthquake evacuation drills, desktop drills for confined space accidents, lifting injury accidents, and natural gas leakage accidents. The aim is to enhance employees' awareness of the potential risks posed by unforeseen events and fortify their capabilities in emergency response, ensuring the safety of production and the health of employees.

During the reporting period

131

Fuyao Glass conducted comprehensive and specialized emergency drills

615

on-site exercises for emergency response plans



Fuqing Decoration Conducted Fire Emergency Drills

In June 2023, Fuyao Glass Fuqing Decoration conducted a companywide fire emergency drill. The drill was conducted with heightened difficulty, without prior rehearsal or preview. The specific settings of various risky scenarios were kept confidential beforehand. This approach aimed to realistically simulate the emergency response of participants in unfamiliar emergencies.

During the drill, fires were randomly ignited at various locations, requiring the emergency response team to effectively manage their designated areas, promptly identify the fires on-site, and carry out incident reporting and fire control measures. This drill assessed the capabilities of the emergency response team members, thoroughly tested the Company's ability to manage sudden risks, and helped the Company evaluate the public's proficiency in emergency evacuation skills. After the drill, the emergency response team conducted a debriefing session to address the deficiencies identified during the drill. Then, the team proposed targeted improvement measures to further enhance the Company's emergency response capabilities.



Fuqing Decoration Conducted Fire Emergency Drills

Employees' Occupational Health

We place a high value on our employees' occupational health. We strictly comply with laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and the *Measures for the Supervision and Management of Occupational Health of the Employer*. We have developed the *Regulations on Occupational Health Management* tailored to our specific circumstances. This helps us establish a comprehensive occupational health management system, thus fully safeguarding the health and safety of our employees.

In 2023

100%

of the main business premises underwent employee health and safety risk assessments.

- We 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 sources pertinent to production and operations. Our goal is to proactively carry out preventive measures.
- We conduct regular safety inspections of the factory premises to identify safety risks and hazards. Additionally, we perform annual testing of occupational disease hazard factors and triennial assessments of the current status of occupational disease hazards.
- We have installed notice boards in prominent locations to display regulations, procedures, operational guidelines, and emergency response measures for occupational disease hazards, as well as the results of testing on occupational disease hazard factors related to occupational disease prevention and control. Additionally, we have installed warning signs and safety information cards at the workplace entrance, near high-risk workstations, and equipment to remind employees to prioritize safety.
- We have established the Management of Labor Protection, which specifies the standards for the provision of labor protection supplies. We provide all relevant employees with protective workwear, safety helmets, dust masks, and other labor protection items. Additionally, we conduct training on the proper use of labor protection supplies.
- We establish employee occupational health records and conduct pre-employment, on-the-job, post-employment, and emergency occupational health examinations based on the list of occupational disease hazard factors for each position, ensuring comprehensive health protection.

Partial Occupational Health and Safety Measures Implemented by Fuyao Glass

During the reporting period

we conducted occupational health examinations for employees exposed to occupational disease hazard factors. We did not identify any suspected cases of occupational diseases or employees with occupational diseases, thereby achieving our safety management objective of zero occupational disease incidents.

Hubei Automotive Glass Carried out Noise Reduction Engineering Renovations

In 2023, to mitigate the risk of occupational diseases for employees due to noise in the production workshop, Hubei Automotive Glass carried out a special noise reduction engineering renovation to improve the working environment for employees. After conducting an on-site investigation, Hubei Automotive Glass identified the sources of noise in the factory as the clicking noise from equipment transmission, equipment body noise, and equipment exhaust noise. Measures were implemented, including removing the original soundproof louvers, ventilation fans, and ducts, and installing C-type modular silencer units. Additionally, a cantilever beam was installed between the two load-bearing columns at the bottom of the silencer, and double-layer soundproof glass windows were also positioned. As a result, the noise level in the production workshop decreased by 10 decibels, significantly reducing the risk of occupational diseases for employees.

the noise level in the
production workshop
decreased by

10 decibels



Before and After the Noise Reduction Engineering Renovation Carried Out by Hubei Automotive Glass



Going Green

and Becoming a Safeguard of Global Ecological Environment

At Fuyao Glass, we are dedicated to prioritizing ecology and promoting green development. With green production management at the forefront, we propel the Company's sustainable growth through product innovation and technological advancements. We take proactive steps to address climate change through low-carbon operations, reducing the environmental impact of product production and transportation processes, and conducting extensive R&D of green products. Our goal is to steer the Company towards green and low-carbon practices.

05



Annual Highlights

The installation of renewable energy capacity has reached

121.55 MW

resulting in a renewable energy generation of

176,272.41 MWh

conducted environmental risk assessments

24 workplaces

additional factory have obtained the green factory certification

2

bringing the total number of factories with the certification to

14

including at the national level

9

at the local level

5

ISO 14001:2015 Environmental Management System Certification

24

Both CDP's climate change and water security questionnaires were rated as

A-

Addressing Climate Change

Given the escalating threat of global warming, addressing climate change has emerged as a pivotal global concern. As a leader in the global automotive glass industry, Fuyao Glass actively engages in global climate initiatives, aligns with national objectives such as the “dual-carbon” strategy, and fully addresses the opportunities and challenges of climate change. Following the Task Force on Climate-related Financial Disclosures (TCFD) framework, we continuously assess climate change risks and opportunities and set climate change indicators and targets, with the aim of bolstering the Company’s resilience and adaptive capacity in response to climate change challenges.

Climate Change Governance

Acknowledging the formidable challenge posed by climate change, we underscore the imperative of establishing a robust governance system. With the leadership and oversight of the Board of Directors and management, we have implemented practical governance initiatives to address climate change. As of the end of the reporting period, we have defined climate change governance responsibilities within our ESG governance structure, with oversight from the Board of Directors and the ESG Working Group. This approach ensures the comprehensive advancement and implementation of climate-related initiatives.



Fuyao Glass headquarters and its subsidiaries have established incentive mechanisms to encourage energy efficiency and emission reduction. Furthermore, we have integrated climate change response efforts into the performance evaluation criteria for our management and execution teams. This approach encourages every employee within the Company to actively engage in implementing energy-saving and emission-reduction measures. Each year, we develop KPIs for all departments and factories, covering 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 KPIs. Our goal is to continuously improve our capacity for climate governance.

Climate Change Strategy

We have conducted a thorough climate change risk identification process, categorizing risks into transition risks and physical risks, and using case studies to identify and recommend appropriate mitigation strategies. During the reporting period, we identified climate risks that have actual or may have significant impacts on organizational operations, strategies, and financial planning. These risks are outlined as follows:

Analysis of Climate Change Transition Risks

Transition Risks		
Risks	Risk Identification	Risk Responses
Policy and Regulatory Risks	<ul style="list-style-type: none"> In 2013, the national standard GB 21340-2013, the <i>Norm of Energy Consumption per Unit Product of Flat Glass</i> was revised and released. Subsequently, in 2019, the municipal government’s Energy Conservation Office issued the <i>Implementation Plan for Key Energy-consuming Users ‘Hundred, Thousand, Ten Thousand’ Action Energy-saving Target Responsibility Assessment</i>, imposing strict requirements on the energy consumption in the Company’s production processes. Given the ongoing climate transitions, governments may introduce policies and regulations to enforce stricter limits on energy consumption. Failure by the Company to meet these energy requirements could result in adverse effects on both production and finances. 	<ul style="list-style-type: none"> Stay informed about the national trends in green automotive glass products and green manufacturing standards, actively engage in the development of industry standards, and establish a product R&D and internal control system that exceeds both national and industry standards.
Risks of Technological Transformation	<ul style="list-style-type: none"> The profitability of the Company depends on its ability to adapt to the automotive industry’s rapid technological shifts toward high-performance glass products, with climate issues prompting new technological demands. Failure to promptly innovate and develop new products in line with evolving demands could result in high-value-added products transitioning from niche to mainstream products within the market. This may lead to a decline in profitability, reduced market demand, and heightened risk awareness regarding potential market obsolescence. There is a growing consumer demand for safe and energy-efficient products. Neglecting to thoroughly incorporate environmental friendliness and energy efficiency considerations into technical management and product design processes could result in reduced demand for the Company’s products. 	<ul style="list-style-type: none"> Closely monitor and identify technological risks, recognizing the pivotal role of high-performance products in fulfilling customer requirements and promoting environmental friendliness. Engage in ongoing research on pertinent technologies and actively pursue new patents to safeguard technological advancements.
Market Risks	<ul style="list-style-type: none"> The global automotive industry is currently undergoing a significant transformation and upgrade, characterized by the emergence of “electrification, intelligence, connectivity, and sharing” as primary drivers of industry development. Failing to swiftly adapt to technological shifts and meet evolving customer demands could result in fluctuations in demand for the Company’s products, adversely affecting its financial health and operational performance. The Company’s key customers have already integrated climate concerns and the demand for low-carbon products into their procurement considerations. Failure to meet customer demand for high-value-added products may consequently lead to a loss in market share, compounded by the influence of market innovations in low-carbon technologies. 	<ul style="list-style-type: none"> Expand product lines, optimize product structure, and provide customers with more comprehensive product solutions and services. The Company allocates around 4% of its annual revenue to R&D, supporting continuous innovation and the ongoing development of new products; Continuously enhance the energy efficiency of production processes, establish green factories, and integrate green standards into the ESG risk management system.
Reputation Risk	<ul style="list-style-type: none"> The Company will participate in national green manufacturing assessments and develop a green supply chain. Neglecting to establish a robust brand image for green products may lead to missed opportunities for international partnerships and the benefits of national incentives for the green manufacturing system. 	<ul style="list-style-type: none"> Engage proactively in green project applications in alignment with the national green development strategy.

Analysis of Physical Climate Change Risks

Physical Risks		
Risks	Risk Identification	Risk Responses
Acute Risks	<ul style="list-style-type: none"> Typhoons, extreme rainfall, and other extreme weather events pose a risk of disrupting the Company’s regular production and operational activities. Fuyao Glass headquarters and most of its factories are in Fujian, China, an area particularly vulnerable to typhoons. Typhoons can result in mechanical damage, power disruptions, and other adverse impacts, thereby increasing operating costs and capital expenditure for the Company. Furthermore, they present risks concerning the timeliness of decision-making at the headquarters. Delays in the supply of raw materials and transportation of products due to extreme weather conditions may pose risks of production suspension for both the Company and its customers. 	<ul style="list-style-type: none"> Identify accident risks at the operation site, office, living areas, and surrounding environments, and enhance emergency response capabilities for these risks; Standardize accident prevention and response capabilities for workplace safety, improve the Company’s overall emergency response level, and effectively implement emergency management practices.
Chronic Risks	<ul style="list-style-type: none"> Climate warming may increase floods and rainstorms, affecting the Company’s long-term business status, augment operation and maintenance costs, and reduce the service life of assets. 	<ul style="list-style-type: none"> Establish an emergency risk management system, establish an emergency risk response leadership team, and implement standardized management practices. The team implements preventive and control measures for various factors that may cause emergencies and evaluates potential hazards based on monitoring results.

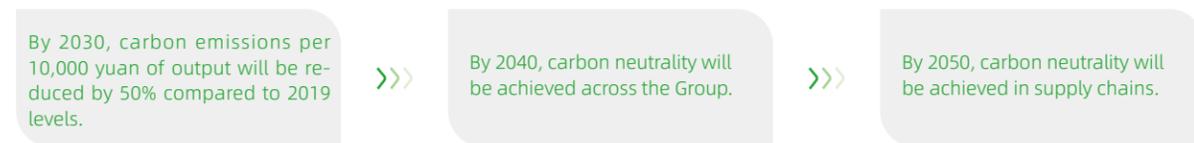
Climate Change Risk Management

We consider climate change risk as a pivotal aspect of our risk management strategy. We integrate the risk into the Company's risk management system and establish procedures for identifying, assessing, and managing climate-related risks. During the reporting period, we conducted a thorough carbon inventory, reviewed current carbon emissions, and conducted group-level forecasting and analysis. Additionally, each business department actively assessed, reviewed, and discussed potential climate risks based on their specific circumstances.

Risk Identification	Aligned with the standards of IATF 16949:2016, ISO 14001:2015, ISO 45001:2018, the General Manager Office has established risk information collection teams dedicated to finance, human resources, environmental safety, technology, sales, systems, and procurement. These teams are tasked with conducting climate risk information collection and identification activities within their respective areas of responsibility.
Risk Assessments	After each business department gathers information, the Evaluation Committee issues an internal and external environmental analysis report. Subsequently, climate-related control indicators for the Company are developed based on the analysis, and the annual report is submitted to the Group Operation Department for evaluation by the Board of Directors' Office.
Risk Management	Leveraging academic literature, internal research, stakeholder expectations, and the Company's operational realities, key climate risks are identified, and appropriate measures and management policies are recommended to mitigate major climate risks.

Climate Change Indicators and Objectives

At Fuyao Glass, each department has set specific performance objectives tied to the progress of climate risk identification, assessment, and management, with regular reporting on their status. We actively pursue these objectives by enhancing the energy efficiency of our production processes, adopting low-carbon energy sources, and installing solar photovoltaic panels. Presently, we have exceeded our targets ahead of schedule and are actively shaping our next climate change goal to align with evolving policies and regulations.



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 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. In 2023, we have been widely acknowledged for our achievements in green manufacturing and carbon reduction.

Honors in Green Manufacturing and Carbon Emissions Reduction for Fuyao Glass in 2023

Included in National and Provincial Lists for Green Manufacturing Systems	Ranked in the Top 100 of Low-Carbon and Sustainable Development for A-Share Listed Companies in China	Included in the Fifth Batch of Demonstration Enterprises for Green Product Design in the Industrial Sector	Selected as a Typical Case of Demand-Side Management in Electricity for the National Industrial Sector	Contributed to the National Technical Standard for Carbon Footprint Assessment of Flat Glass Products Throughout Their Lifecycle
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We have enhanced our carbon management by implementing more efficient carbon management measures. Additionally, we are proactively building distributed photovoltaic systems to significantly decrease the factory's carbon emissions by utilizing renewable energy sources in the production process. In 2023, Fuyao Glass's total annual greenhouse gas emissions amounted to 1,993,123.73 tonnes of carbon dioxide equivalent. The emission intensity for automotive glass was 0.0021 tonnes of carbon dioxide equivalent per square meter of product. For Fuyao Float Glass, it was 0.4027 tonnes of carbon dioxide equivalent per ton of product.

GHG Emissions and Density During 2021-2023¹

	Automotive Glass			Float Glass		
	2023	2022	2021	2023	2022	2021
Scope 1: Direct GHG Emissions (in Tonnes of CO ₂ eq)	27,419.33	20,530.38	18,986.24	1,002,934.03	1,002,682.37	830,130.96
Scope 2: Indirect GHG Emissions (in Tonnes of CO ₂ eq)	761,376.99	822,986.09	888,201.91	201,393.38	212,557.38	199,999.37
Total GHG Emissions (in Tonnes of CO ₂ eq)	788,796.32	843,516.47	907,188.15	1,204,327.41	1,215,239.75	1,030,130.34
Total GHG Emission Density	0.0021 Tonnes of CO ₂ eq / m ² of Product	0.0036 Tonnes of CO ₂ eq / m ² of Product	0.0047 Tonnes of CO ₂ eq / m ² of Product	0.4027 Tonnes of CO ₂ eq / Tonne of Product	0.3885 Tonnes of CO ₂ eq / Tonne of Product	0.3609 Tonnes of CO ₂ eq / Tonne of Product

Note 1: In 2023, the Group conducted a carbon inventory and retrospectively adjusted the data for 2021-2022. The carbon inventory was completed in accordance with ISO 14064: 2006, with calorific value data sourced from the *General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020)*. The grid emission factors were selected from the Average Carbon Dioxide Emission Factors of Regional Power Grids in China for 2011 and 2012 published by the National Centre for Climate Change Strategy and International Cooperation. The purchased steam emission factors were chosen from the National Carbon Trading Quota Plan and Distribution Plan for 2019-2020 - 2019-2020 Benchmark Values for Carbon Emissions of Designated Units. The greenhouse gas GWP data was selected from the *IPCC Sixth Assessment Report (2021)*.

Fuyao Glass Conducted ISO 14064/14067 Carbon Footprint Verification and Training Simultaneously, Both at Domestic and Overseas Subsidiaries

We proactively engage in carbon footprint verification and training to equip our management personnel with the methodologies for conducting greenhouse gas footprint verification and carbon footprint research of our products. In 2023, we expanded the scope of carbon footprint verification and training, launching ISO 14064/14067 greenhouse gas training on footprint verification overseas for the first time. This training, held both online and offline, attracted participation from more than 180 individuals within domestic subsidiaries and over 130 individuals from overseas. Nearly 60 individuals completed the exam for greenhouse gas training on footprint verification, contributing to the continuous enhancement of the Company's carbon management capabilities.



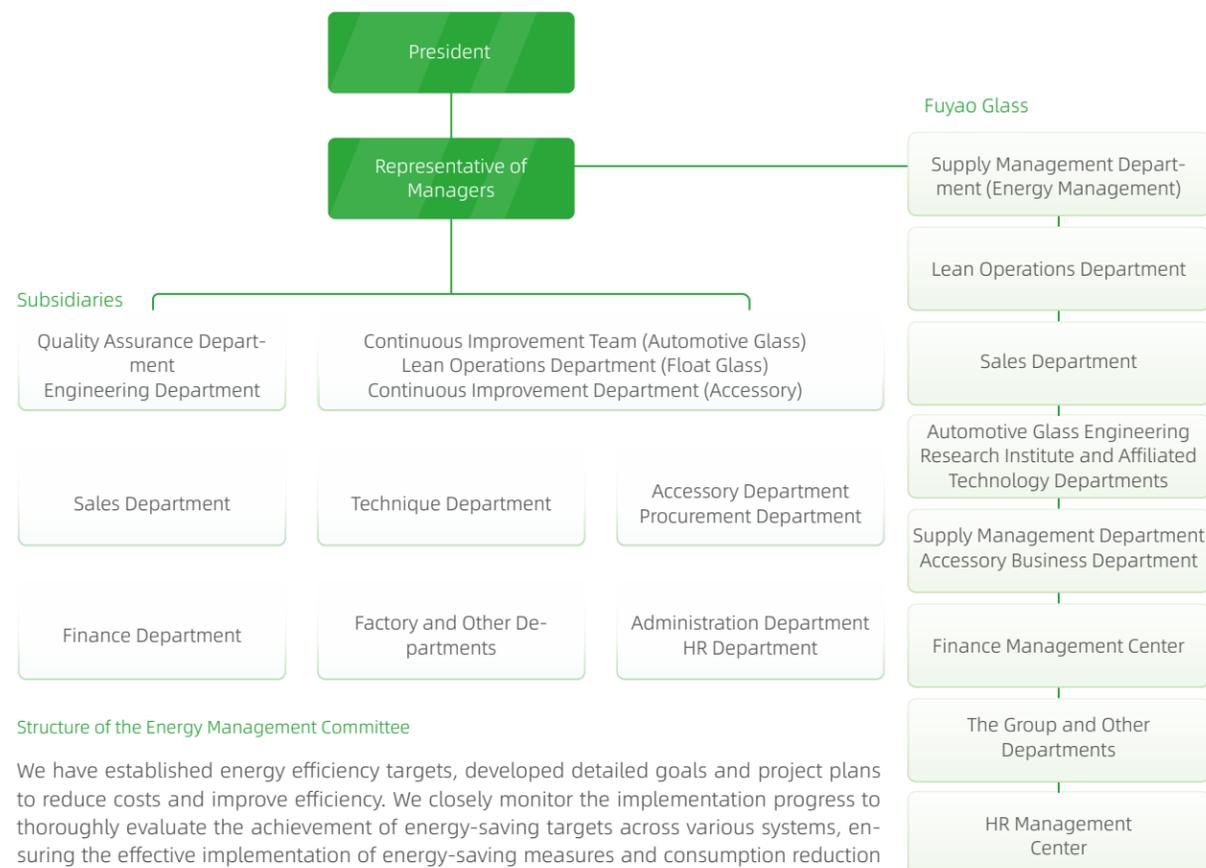
Fuyao Glass Conducted ISO 14064:2006 Carbon Footprint Verification training in 2023

Implementing Low-carbon Operations

At Fuyao Glass, we uphold the philosophy of low-carbon operations, consistently enhancing our management of energy, water resources, raw materials, and packaging. Our commitment is to increase resource and energy efficiency throughout our business operations. Through the implementation of improved management systems, adoption of clean technologies, promotion of energy-saving initiatives, and other measures, we effectively reduce energy and water consumption. Additionally, by selecting environmentally friendly raw materials and enhancing the recycling rates of both raw materials and packaging, we strive to minimize the waste of natural resources.

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 Protection*. We have also established the Energy Management Committee to oversee and continually improve our energy management system.



Structure of the Energy Management Committee

We have established energy efficiency targets, developed detailed goals and project plans to reduce costs and improve efficiency. We closely monitor the implementation progress to thoroughly evaluate the achievement of energy-saving targets across various systems, ensuring the effective implementation of energy-saving measures and consumption reduction throughout all production stages. Additionally, we undertake projects aimed at reducing electricity consumption, water usage, and material consumption while enhancing quality and efficiency. Each year, we identify projects aimed at enhancing quality and efficiency, establish targets for energy-saving and emission reduction, and monitor project progress and implementation and provide performance incentives to subsidiaries and project teams that successfully achieve their targets.

Energy Efficiency Targets of Fuyao Glass

By **2030**, overall energy consumption per 10,000 yuan of output can be reduced by **50%** compared to 2019 levels.

In 2023

Fuyao Glass consumed of power

5,685,898.03^{MWh}

The installed capacity of renewable energy reached

121.55^{MWh}

the electricity generation from renewable energy stood at

176,272.41^{MWh}

In total

21,681.51 tonnes of standard coal

were saved

Data of Energy Consumption (2021-2023)¹

	Automotive Glass			Float Glass		
	2023	2022	2021	2023	2022	2021
Natural Gas (MWh)	35,076.80	35,674.88	36,204.79	3,776,449.41	3,835,006.64	3,167,807.55
Diesel (MWh)	8,671.83	9,183.44	11,072.16	14,643.83	17,531.14	17,276.38
Gasoline (MWh)	1,621.49	1,197.47	1,250.96	199.11	169.33	232.02
Liquefied petroleum gas (MWh)	27.21	803.87	413.10	0	292.87	15.07
Total Direct Energy Consumption (MWh)	45,397.34	46,859.66	48,941.01	3,791,292.35	3,852,999.98	3,185,331.02
Direct Energy Consumption Intensity	1.21 MWh/10,000 m ² of Product	2.01 MWh/10,000 m ² of Product	2.56 MWh/10,000 m ² of Product	1.27 MWh/Tonnes of Product	1.23 MWh/Tonnes of Product	1.12 MWh/Tonnes of Product
Purchased Electricity (MWh)	1,507,120.97	1,371,238.90	1,437,702.82	340,403.76	348,845.50	315,871.66
Purchased heat (MWh)	1,683.61	2,771.63	2,077.37	0	0	0
Total Indirect Energy Consumption (MWh)	1,508,804.58	1,374,010.54	1,439,780.19	340,403.76	348,845.50	315,871.66
Indirect Energy Consumption Intensity	40.28 MWh/10,000 m ² of Product	58.91 MWh/10,000 m ² of Product	75.32 MWh/10,000 m ² of Product	0.11 MWh/Tonnes of Product	0.11 MWh/Tonnes of Product	0.11 MWh/Tonnes of Product
Total Energy Consumption (MWh)	1,554,201.92	1,420,870.20	1,488,721.19	4,131,696.11	4,201,845.48	3,501,202.68
Total Energy Consumption Intensity	41.49 MWh/10,000 m ² of Product	60.92 MWh/10,000 m ² of Product	77.88 MWh/10,000 m ² of Product	1.38 MWh/Tonnes of Product	1.34 MWh/Tonnes of Product	1.23 MWh/Tonnes of Product

Note 1: In 2023, the Group conducted a carbon inventory and retrospectively adjusted the data for 2021-2022. The calorific value data of comprehensive energy consumption calculation is from the *General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020)*.

Shanghai Automotive Glass's Energy-Saving Renovation Project for the Centrifugal Air Compressor Station

In 2023, Shanghai Automotive Glass established a dedicated team to implement an energy-saving and consumption-reduction renovation project for the centrifugal air compressor, effectively addressing issues such as high energy consumption in the air compressor station and the refrigerated air dryer system. Shanghai Automotive Glass carried out a comprehensive energy-saving transformation at the air compressor station. This involved introducing new efficient centrifugal air compressors, efficient refrigerated air dryers, and supporting pipeline filters. They also implemented an intelligent centralized control system for the air compressors, replaced the main gas supply pipes with aluminum alloy pipes, optimized the centrifugal air compressor waste heat recovery system, and undertook other related measures. In July 2023, the new system was commissioned, leading to a 23% decrease in energy consumption per unit compared to the pre-renovation levels, resulting in annual electricity savings of 6 million kWh.



Shanghai Automotive Glass's Energy-Saving Renovation Project for the Centrifugal Air Compressor Station

Changchun Aluminum System's Energy-saving and Emission Reduction Achieved through Process Improvement

In 2023, Changchun Aluminum System successfully decreased the electricity consumption of different workshop processes by enhancing the dust removal air pressure parameters, the operational duration of the dust removal equipment scraper, and the assembly process fluffing fan. This led to a 43.26% reduction in energy consumption per unit of product, showcasing notable achievements in energy conservation and emission reduction.

Fuyao Glass Initiated a Clean Energy Development Project

In 2023, Fuyao Glass installed a 20 MWh photovoltaic system and launched a project to generate power from waste heat recovery in Tongliao. During the reporting period, the Group generated approximately 94,988 MWh of electricity, with power generation from waste heat contributing around 71,388 MWh. Additionally, we purchased 3.8 MWh of green certificates, resulting in a total reduction of approximately 213,825 tons of CO₂ emissions through the use of renewable energy sources. All these efforts further advanced the systematic development of the Company's clean energy system.

Water Management

At Fuyao Glass, we are dedicated to minimizing water waste in our production processes and alleviating the pressure of water scarcity at our operating sites. To achieve this, we actively employ efficient water-saving production technologies and processes, along with implementing recycling water systems and water recovery equipment. We also conduct regular industrial and domestic water metering analyses and establish annual water-saving plans and other initiatives to continually improve the water use efficiency of the Company's production operations.

Fuyao Glass's Water Efficiency Target:

Fuyao Automotive Glass

By 2030, water consumption per square meter of products less than

0.3 Tonnes

Fuyao Float Glass

By 2030, reduce the water consumption per ton of products by

30%

on the basis of 2019

Total Water Consumption and Intensity (2021-2023)¹

	Automotive Glass			Float Glass		
	2023	2022	2021	2023	2022	2021
Total Water Consumption (Tonnes)	6,845,886.18	4,747,762.18	5,320,530.82	641,591.15	1,051,144.00	990,227.00
Water Consumption Intensity	0.0183 Tonnes/m ² of Product	0.0204 Tonnes/m ² of Product	0.0278 Tonnes/m ² of Product	0.2145 Tonnes/Tonne of Product	0.3360 Tonnes/Tonne of Product	0.3469 Tonnes/Tonne of Product

Note 1: Retrospective adjustments were made to the data for 2021-2022 due to calibration adjustments.

Changchun Automotive Glass Improves the Circulating Water System of Washing Machines

In October 2023, Changchun Automotive Glass Tempering Factory implemented enhancements to the circulating water system, further mitigating the risk of water leakage in the event of high water levels in the cleaning tank. Changchun Automotive Glass achieved annual water savings of approximately 6,000 tons through a technical upgrade. This upgrade involved drilling holes on the cleaning water tank to create a separate tank and connecting it via pipes to the water tank of the acid cleaning machine. This setup allows water leaking from the cleaning tank to flow automatically through the pipes into the water tank of the acid cleaning machine for replenishment, thereby enhancing water conservation and reducing wastage.

Fuqing Aluminum System's Special Action for Water Conservation

In 2023, Fuqing Aluminum System organized an internal special meeting to discuss reducing the factory's tap water usage. The Engineering Department of Fuqing Aluminum System spearheaded the optimization and review of water usage for on-site equipment at Plants 1 and 2. Through on-site management training, process adjustments, pipeline upgrades, and other measures, the Fuqing Aluminum System has significantly enhanced the water efficiency of the factory. The consumption of tap water decreased by 5,814 tons compared to 2022, further improving water efficiency. The tap water in the acid mist tower of the oxidation workshop was replaced with the concentrated water produced from pure water.



Fuqing Aluminum System's painting workshop utilizes raw water to produce pure water, thereby reducing the consumption of tap water.

Resource Utilization Management

At Fuyao Glass, we are committed to enhancing the efficiency of raw materials and packaging utilization, achieving economic benefits while ensuring the sustainability of our production processes. We minimize raw material waste through meticulous management, continuous process optimization, and the recycling of waste material. Fuyao Glass makes full use of scrap glass and PVB cutoffs in production. The recovery rate of raw materials (broken glass) was 100%. Fuyao Float Glass has promoted the recycling and reuse of crushed glass by optimizing ingredient processing operations to achieve material circulation. 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.

Total Packaging Material Use (2021-2023) ¹

	Automotive Glass			Float Glass		
	2023	2022	2021	2023	2022	2021
Metal (Tonnes)	3,226.71	1,100.21	/	1,089.35	481.33	/
Wood (Tonnes)	22,910.51	21,348.21	20,228.13	1,284.50	1,502.51	1,574.19
Paper (Tonnes)	16,129.33	34,385.27	31,935.24	93.95	25.36	24.55
Others (Tonnes)	3,086.33	3,683.70	/	135.70	107.09	/
Total Packaging Material Consumption (Tonnes)	45,352.88	60,517.39	52,163.37	2,603.50	2,116.29	1,598.74
Packaging Material Consumed per Unit of Production	1.21 Tonnes/10,000 m ² of Product	2.59 Tonnes/10,000 m ² of Product	2.73 Tonnes/10,000 m ² of Product	8.71 Tonnes/10,000 Tonnes of Product	6.77 Tonnes/10,000 Tonnes of Product	5.60 Tonnes/10,000 Tonnes of Product

Note 1: Retrospective adjustment is made to the 2021-2022 data.

Shenyang Automotive Glass's New Project for Packaging Design

In 2023, Shenyang Automotive Glass implemented a series of new projects on packaging optimization measures to address challenges related to large product dimensions, numerous accessories, and traditional packaging designs that did not meet usage requirements. These initiatives aimed to enhance product loading efficiency and minimize the waste of packaging resources. Shenyang Automotive Glass implemented improvement methods such as adjusting the height of cardboard boxes, adding protective buckles to soft packaging edges, and adopting a tray-style structure. These enhancements, supported by thorough experimental validation, resulted in standardized packaging design solutions. This effectively addressed the potential waste of packaging resources for new products and improved resource utilization efficiency.



Shenyang Automotive Glass's Packaging Design for New Projects

Chongqing Automotive Glass Adjusted Paper Specifications to Reduce Paper Consumption

In 2023, Chongqing Automotive Glass took action to address the significant waste of paper trimmings produced during the cutting process. They communicated with paper suppliers to align the specifications of incoming paper with the required specifications, thereby eliminating the cutting process and reducing the generation of trimmings and paper waste. This measure is expected to save approximately 17.28 tons of paper annually.

Reducing the Environmental Impact

At Fuyao Glass, we firmly uphold the ecological principle that “lucid waters and lush mountains are invaluable assets”. We are committed to reducing the negative impact of our production and operational activities on the environment. To achieve this goal, we have implemented a robust environmental management system. We actively monitor emission data, conduct regular assessments of environmental impacts, and devise management strategies for environmental risks to minimize our operational footprint on the environment.

Environmental Management System

At Fuyao Glass, we comply with the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control 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*. We are committed to establishing and maintaining a robust environmental management system to ensure that the environmental impact of our production activities is minimized throughout the entire lifecycle. We encourage every subsidiary to engage in environmental system and green factory development based on the Group's environmental management system and their circumstances, advancing the Company's industrial green transformation and upgrading.

As of the end of the reporting period, the Group had a total of factories that obtained the green factory certification

14

including at the national level

9

at the local level

5

all 24 subsidiaries obtained ISO 14001: 2015 Environmental Management System certification

24

We have established clear waste management objectives and actively participate in environmental pollution control and waste discharge management. We conduct regular monitoring of key pollutants, wastewater, emissions, and noise levels. Additionally, we continuously refine our emergency response mechanisms for environmental incidents, thereby steadily elevating the standard of operational environmental protection.

Waste Discharge Targets

Fuyao Automotive Glass

- By 2030, wastewater discharge from producing one square meter of product will be reduced by 30% compared to 2019 levels.
- By 2030, hazardous waste generation from producing one square meter of product will be reduced by 20% compared to 2019 levels.

Fuyao Float Glass

- By 2030, wastewater discharge from producing one tonne of product will be reduced by 30% compared to 2019 levels.
- By 2030, hazardous waste generation from producing one tonne of product will be reduced by 20% compared to 2019 levels.

Total Pollutant Emission (2021-2023)¹

	Automotive Glass			Fuyao Float Glass			
	2023 年	2022 年	2021 年	2023 年	2022 年	2021 年	
Waste-water	Wastewater (10,000 Tonnes)	411.30	349.85	331.56	8.35	12.81	18.46
	COD (Tonnes)	134.45	99.14	68.13	2.03	3.30	28.69
	Ammonia Nitrogen (Tonnes)	9.31	17.55	5.07	0.33	0.09	0.14
Waste Gas	TSS (Tonnes)	85.51	57.68	97.95	1.02	2.60	5.26
	SO2 (Tonnes)	0.09	0.09	0.38	466.81	748.93	744.49
	NOx (Tonnes)	1.50	1.21	2.76	1,243.66	1,515.99	1,546.77
	PM (Tonnes)	13.11	1.22	2.96	58.67	69.60	94.12
Solid Waste	Total Hazardous Waste (Tonnes)	2,414.13	1,949.28	1,474.60	166.98	51.93	206.4
	Density of Hazardous Waste	0.06 Tonnes/10,000 m ² of Product	0.08 Tonnes/10,000 m ² of Product	0.08 Tonnes/10,000 m ² of Product	0.56 Tonnes/10,000 Tonnes of Product	0.17 Tonnes/10,000 Tonnes of Product	0.72 Tonnes/10,000 Tonnes of Product
	Total Non-Hazardous Waste (Tonnes)	323,845.39	245,133.85	141,094.94	2,681.16	2,676.51	3,229.84
	Density of Non-Hazardous Waste	8.65 Tonnes/10,000 m ² of Product	10.51 Tonnes/10,000 m ² of Product	7.38 Tonnes/10,000 m ² of Product	8.97 Tonnes/10,000 Tonnes of Product	8.56 Tonnes/10,000 Tonnes of Product	11.32 Tonnes/10,000 Tonnes of Product

Note 1: Retrospective adjustment is made to the 2021-2022 data.



福耀玻璃排放源管理

Type	Source	Measures
Wastewater Management	<ul style="list-style-type: none"> Wastewater from the production process, initial rainwater, and domestic sewage 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Organic waste gas generated by glass deep processing, printing, and drying process Oil fume and waste gas from the canteen 	<ul style="list-style-type: none"> 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 non-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	<ul style="list-style-type: none"> Noise generated during the operation of cutting machines, washing machines, printing machines, and other production facilities 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> General industrial solid wastes such as packaging surplus materials and leftover materials Waste liquid packaging container, waste lamp tube, spraying waste liquid, wiping waste gauze, waste activated carbon, and other hazardous wastes 	<ul style="list-style-type: none"> 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

Guangzhou Automotive Glass Launched the Zero-Waste Factory Development Project

In 2023, Guangzhou Automotive Glass established the organization for developing the Zero-Waste Factory and provided training on Zero-Waste City related knowledge to factory employees.

The zero-waste factory follows the principles of waste reduction at the source, internal recycling, and green low-carbon practices. It enhances green procurement and green supply chain management. The factory accurately reports solid waste and pollution discharge permit registration, and continually monitors various pollution indicators. In 2023, Guangzhou Automotive Glass reduced the transfer volume of hazardous waste by over 25% compared to the previous year, effectively advancing the development of a zero-waste city.



Guangzhou Automotive Glass was awarded the Zero Waste Factory Certification

Shenyang Automotive Glass Initiated the Renovation Project for the Wastewater System

Shenyang Automotive Glass conducted a risk investigation on the excessive suspended substance in wastewater and identified potential environmental risks, including non-compliant wastewater quality and sludge pollution, through improvements in the entire sludge treatment process. This included adding sedimentation tanks, installing sludge dewatering equipment, and replacing new sludge pumps and pipelines.



On-site Renovation Project for the Wastewater System by Shenyang Automotive Glass

Fuqing Float Glass Optimized the Secondary Smelting Furnace Flue Gas Desulfurization, Denitrification, and Dust Removal System

On February 1, 2023, Fuqing Float Glass took proactive steps to assume the primary responsibility for atmospheric pollution prevention and control. They initiated the construction of the upgrade and renovation project for the secondary smelting furnace flue gas desulfurization, denitrification, and dust removal system. The project includes the renovation of the desulfurization tower, dust and nitrate removal facilities, auxiliary waste heat temperature adjustment facilities, induced draft fan, and waste ash collection system. After the renovation, emissions of particulate matter, sulfur dioxide, and nitrogen oxides at the facility outlet were reduced by over 84.8%, 83.3%, and 68.9% respectively, contributing to the local efforts of safeguarding the blue skies.



Fuqing Float Glass Optimized the Secondary Smelting Furnace Flue Gas Desulfurization, Denitrification, and Dust Removal System

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*. Additionally, we've developed the *Management Regulations on Risk Assessment*, the *Environmental Factors Identification and Evaluation Form*, and the *List of Important Environmental Factors*. These guidelines provide detailed provisions for evaluating environmental factors, hazards, risk control methods, and other pertinent aspects across all business processes. During the reporting period, we conducted environmental risk assessments at all our main business sites. By focusing on hazard source control, exhaust gas testing, and environmental impact assessment reports, we identified issues and promptly provided feedback to the relevant departments for corrective action, ensuring the overall management of environmental risks across the Group.

Number of business sites conducting environmental risk assessments

24

The ratio of sites undergoing environmental risk assessments was

100%

Developing Green Products

At Fuyao Glass, we actively respond to the transition towards green production. To achieve this, we focus on developing energy-efficient and environmentally friendly products. We continually increase our investment in R&D and innovation, striving to minimize the carbon footprint and environmental impact of our products. In our product design process, we prioritize environmental sustainability by proposing automotive glass solutions that emphasize weight reduction, decreased in-car air conditioning usage, and the utilization of alternative energy sources. We have successfully developed green products that are highly efficient and eco-friendly. Additionally, we advocate the adoption of green products, raise customers' awareness of environmental protection, and jointly encourage a green and low-carbon lifestyle and work culture.

Environmentally Friendly Glass Products of Fuyao Glass

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.

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.

Solar Glass

The solar cell module is added in the interlayer. When the sun shines on the p-n junction in the semiconductor, voltage will appear on both sides of the junction and electric currents are generated to power the vehicle. This product can convert solar energy into electricity to power on-board electrical appliances and reduce carbon emissions from the vehicle.

Lightweight Glass

The weight of the tempered glass and laminated glass is reduced through special techniques, thereby reducing the weight of the vehicle and consequently its fuel or power consumption. The product reduces the total weight of the glass on a vehicle by 10-15 kg and increases the maximum impact speed of a flying stone on the surface by 1.4 times. Moreover, thinner films in the glass ensure high optical quality through enhanced HUD image definition and offer better sound insulation thanks to the addition of PVB film.

Anti-Fog Glass

A layer of water absorption and anti-fog film is sprayed on the glass surface. The special porous structure of the film enables the capillary force to achieve the functions of absorbing water and defogging. It can reduce the use of the air conditioning system and energy consumption.

Dimming Glass

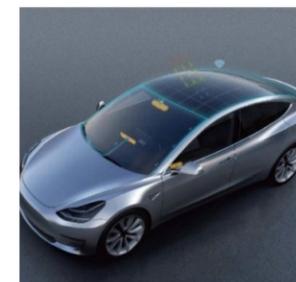
Fuyao Glass globally debuts the dome EC dimming panoramic windshield and new black EC dimming products, ushering in a new era in automotive optical-thermal management. The Company has made remarkable breakthroughs in applying electrochromic dimming technology in the automotive sector. The dome EC dimming panoramic windshield regulates the dimming of the front windshield and sunroof to ensure optimal lighting levels for comfort. This offers new solutions to the ongoing challenges of direct sunlight exposure and glare on panoramic front windshields in the automotive industry. It enhances driving comfort and safety, effectively reduces energy consumption, and promotes sustainable development in the industry.



Coated Thermal Insulation Glass



Coated Heating Front Windshield Glass



Solar Roof Glass



Lightweight Aluminum Accessories



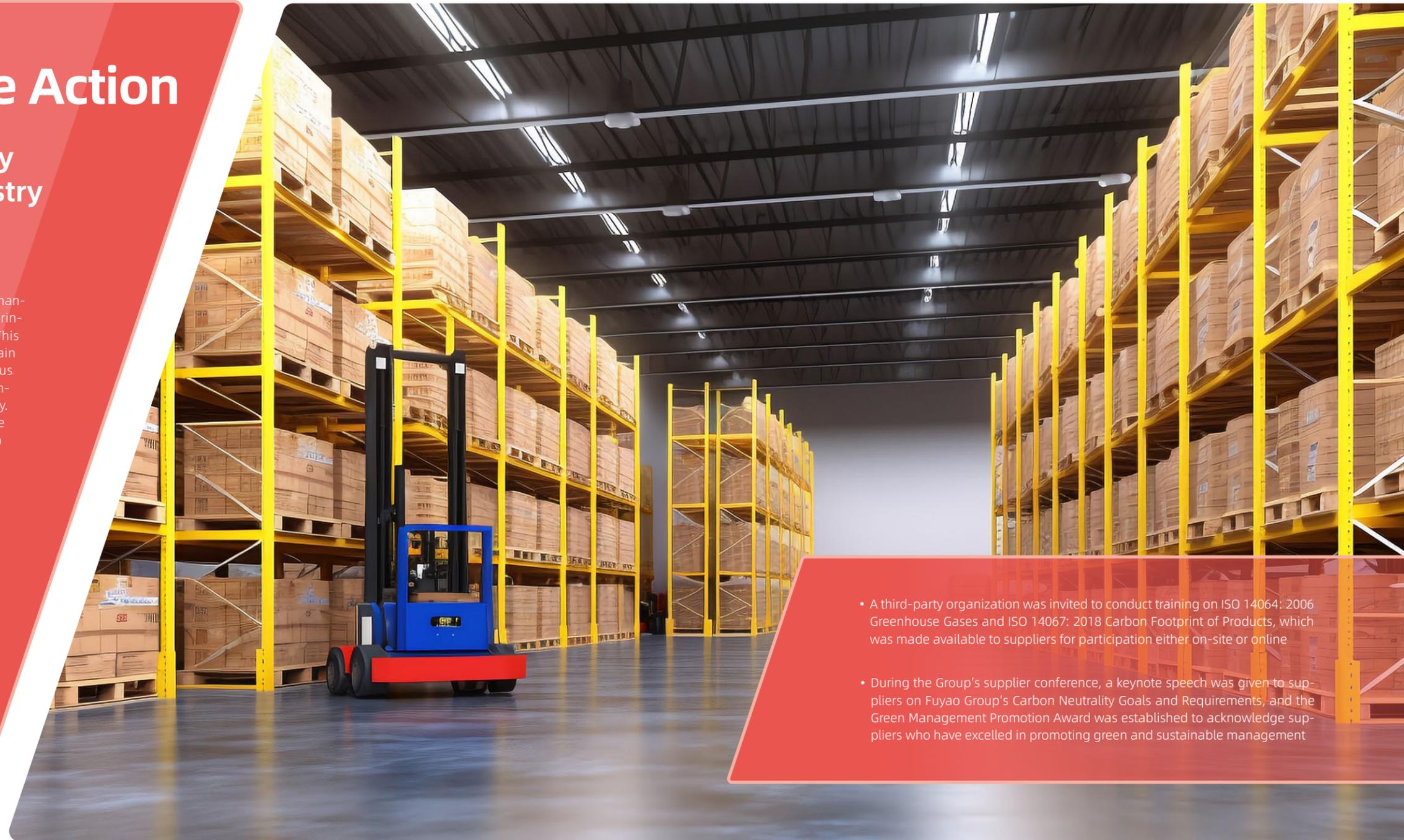
Lightweight Sunroof Glass

Taking Collective Action

and Becoming a Noteworthy Example in the Global Industry

At Fuyao Glass, we have implemented a standardized supplier management system that incorporates sustainable development principles across our entire supply chain management process. This initiative fosters the establishment of a responsible supply chain and guarantees its stability and efficiency through continuous communication. We take proactive steps to fulfill our social responsibility and contribute to the advancement of the global industry. Guided by the vision of Fuyao Glass's founder, we actively engage in initiatives aimed at giving back to society and are dedicated to promoting social sustainability through our industrial endeavors.

06



- A third-party organization was invited to conduct training on ISO 14064: 2006 Greenhouse Gases and ISO 14067: 2018 Carbon Footprint of Products, which was made available to suppliers for participation either on-site or online
- During the Group's supplier conference, a keynote speech was given to suppliers on Fuyao Group's Carbon Neutrality Goals and Requirements, and the Green Management Promotion Award was established to acknowledge suppliers who have excelled in promoting green and sustainable management

Annual Highlights

100%

of our procurement employees completed the sustainable procurement training

75.91%

of our suppliers signed the Sustainable Procurement Charter

97.73%

of our suppliers completed on-site CSR inspections

72.27%

of our suppliers passed the CSR evaluations

100%

of our suppliers submitted reports on conflict minerals, including tin, tantalum, tungsten, and gold

941 million yuan

of donations made by Fuyao Glass and Heren Charitable Foundation funded by Chairman Cho Tak Wong

Building Sustainable Supply Chains

At Fuyao Glass, we integrate sustainability principles into our supplier management requirements, fostering open communication with our partners to ensure the efficiency and quality of our supply chain. Our objective is to establish a long-term, secure, reliable, and competitive supply chain system, thereby setting a benchmark for the global industry.

Supply Chain Management System

We rigorously comply with laws and regulations to develop internal supply chain management systems, including the *Supplier Management Handbook* and the *Qualified Supplier Management System*. We categorize suppliers based on the importance of materials and establish standardized management requirements in critical areas such as information security, initial sample and attachment development, and quality issue resolution. Through proactive engagement, we aim to cultivate mutually beneficial partnerships and sustain a harmonious business environment. In 2023, we introduced the *Procurement Bidding Management Regulations* and updated several internal regulations, including the *Management Regulations on Supplier Import and Export* and the *Purchase Order Management Regulations*. These enhancements strengthen various aspects of our supply chain management efforts, contributing to the efficient operation of the overall supply chain.

Amid the rapid advancements in the Internet of Things and Big Data technologies, we are actively leading the digital transformation of our supply chain management. By leveraging cutting-edge technological innovations, we are implementing digital supply chain management models and developing the Fuyao SRM system and the Fuyao Digital System (FYDS). These systems facilitate lifecycle management across various aspects such as supplier information, quotations, contract signing, logistics, acceptance checks, reimbursement, and more, ultimately enhancing the efficiency of our supply chain operations. In 2023, the SRM system implemented three-tier control for general material suppliers in categories C, D, and E. The FYDS-FYLS system has been rolled out in subsidiaries across Shenyang, Changchun, Tianjin, Hubei, Suzhou, Shanghai, Guangzhou, and Zhengzhou, with plans for further expansion to all subsidiaries.

Number of Suppliers by Territory in 2023 (family)

China	Europe	North America	Asia (Excluding China)	South America
413	17	1	8	1

Management System Certification of Suppliers (%)

Percentage of suppliers certified with ISO 9001:2015	90.33%
Percentage of suppliers certified with ISO 14001:2015	83.73%
Percentage of suppliers certified with ISO 45001:2018	34.24%

Sustainable Supply Chains

We have established a comprehensive supply chain management system, encompassing supplier entry, evaluation, and exit procedures. Additionally, we have formulated sustainable supply chain policies, including the *Supplier Code of Conduct on Social Responsibility*, demonstrating our dedication to fully integrating ESG philosophy throughout all aspects of supply chain management. In 2023, we explicitly incorporated Corporate Social Responsibility (CSR) audit qualifications as a separate item in the supplier qualification review checklist, underscoring the importance of suppliers fulfilling social responsibilities as a key factor in supplier evaluation.

In 2023, Fuyao Glass had a total of

440 suppliers

75.91%

of our suppliers signed the *Sustainable Procurement Charter*

75.91%

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

72.27%

of our suppliers passed the CSR evaluations

97.73%

of our suppliers completed on-site CSR inspections

Sustainable Management of Suppliers in 2023

Entry	<ul style="list-style-type: none"> All suppliers are required to comply with national laws and regulations, include CSR clauses in the main supply agreements, and incorporate CSR factors into evaluation criteria for supplier entry. Requirements are established for ESG-related factors such as environmental safety, energy conservation, emission reduction, respect for human rights, occupational health and safety, information security, and conflict mineral avoidance, and are communicated in a cascading manner. In 2023, we maximize our supervisory role by reinforcing the EHS control requirements for suppliers in the Fuyao SRM system, enhancing awareness of environmental, health, and safety management throughout the supply chain. 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	<ul style="list-style-type: none"> We provide the <i>Supplier Social Responsibility Self-Assessment Report</i> and require suppliers to conduct CSR performance audits and meet our expectations in this regard. We also advise our suppliers to sign the <i>Sustainable Procurement Charter</i> and the <i>Supplier Code of Conduct</i> in the main supply agreement. We establish the <i>Supplier Audit Process</i> 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. In 2023, we have completed on-site CSR inspections for 86 suppliers. We evaluate our suppliers on a monthly and yearly basis, considering factors such as product quality, delivery performance, qualifications, cost control, and CSR. We categorize suppliers into different levels based on the evaluation results and implement targeted improvement measures. Additionally, we recognize outstanding suppliers through commendations and other incentive measures. We identify high-risk suppliers that may cause supply chain disruptions or major quality accidents based on the <i>Measures for the Administration of High-Risk Suppliers</i> and include them in our <i>List of High-Risk Suppliers</i>. We establish a high-risk supplier review plan based on actual circumstances and monitor the progress of corrective actions to maintain supply chain risks within a manageable range. We provide newly onboarded suppliers with the <i>REACH Compliance Evaluation Form</i> to evaluate their compliance with environmental standards and requirements. Additionally, we request the <i>RoHS Test Report</i> to ensure the compliance of suppliers' materials.
Exit	<ul style="list-style-type: none"> We eliminate those suppliers who fail to pass the evaluation and still fall short of our standards after rectification.

We have established a Green Supply Chain Leadership Team responsible for developing green supply chain strategies and objectives, implementing related decisions, and facilitating the structured advancement of green supply chain activities. In 2023, the Team engaged in activities centered on themes like carbon neutrality, energy conservation, and emission reduction. They raised awareness of supply chain carbon footprint verification and conducted carbon emission calculations using ISO 14064: 2006 standards. Moreover, they proactively evaluated supply chain carbon emissions and played a pivotal role in devising customized emission reduction strategies.

We adhere to the concept of sustainable procurement and provide training for internal procurement personnel to ensure their comprehension of sustainable procurement principles and practices. Our objective is to augment the professional ESG capabilities of procurement staff, decrease supply chain carbon emissions, actively fulfill social responsibility, and mitigate environmental and social impacts during the procurement process. In 2023, we provided extensive training for procurement personnel on ESG-related topics including greenhouse gas inventory and integrity and self-discipline. 100% of our procurement employees completed the sustainable procurement training.

Conflict Minerals Management

We continuously enhance our conflict minerals management system to mitigate potential risks associated with conflict minerals through internal controls and supplier constraints. This effort aims to prevent the utilization of conflict minerals sourced from the Democratic Republic of the Congo and its adjacent areas in our production process. We have established institutional documents such as the *Measures for Conflict Minerals Management* and the *Conflict Minerals Management Policy Statement*. Additionally, we require conflict minerals suppliers to submit the relevant statements in accordance with the *Conflict Minerals Reporting Template* (CMRT) issued by the Responsible Minerals Initiative (RMI). This measure is designed to prevent the use of conflict minerals acquired through illicit operations and reduce social instability and humanitarian concerns in conflict zones, thereby actively supporting compliance in the global supply chain.

In 2023, we updated the *Conflict Minerals Management Regulations*, to specify the version requirements of the CMRT template and to delineate responsibilities for various types of CMRT reports. This update aimed to enhance the accuracy and effectiveness of our conflict minerals management efforts. We identified 17 potential conflict minerals suppliers. 100% of them later submitted conflict minerals reports. The metal smelters from which we source materials are all accredited by the Responsible Minerals Initiative (RMI).

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

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

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

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

Conflict Minerals Management Approach of Fuyao Glass

In 2023, Fuyao Glass employed

159

procurement employees

32

of whom passed the Six Sigma Green Belt test

17

of whom obtained Green Belt certification

Supplier Stability

We continue to advance information sharing and collaboration with suppliers, actively fostering mutually trusting relationships, and striving to enhance the stability and sustainability of the supply chain. To achieve this, we establish various communication channels such as information systems, coaching sessions, regular visits, and WeChat management groups. We manage suppliers based on their regional affiliation, assigning a dedicated supervisor SQE for each supplier to ensure swift and accurate transmission of information across all supply chain segments. This approach allows us to gain a deeper understanding of market demands, inventory status, production progress, and other work developments, enabling us to make more informed decisions and enhance the efficiency of supply chain management.

To ensure that our suppliers' capabilities align with our business needs and quality standards, we provide diversified training both online and offline to enhance their professional expertise and skills. This helps them understand market trends and regulatory changes, fostering more efficient collaboration. In 2023, we implemented comprehensive supplier capacity-building initiatives, offering training sessions on greenhouse gas inventory, carbon footprint verification, project development processes, PPAP standards, change management, and other relevant topics. We designated specific personnel to lead lean activities with suppliers and conducted monthly interactions between SQEs and suppliers to review lean progress and address process challenges. These initiatives were designed to strengthen the resilience of our supply chain. Overall, we conducted 18 group-level supplier training sessions, reaching more than 300 suppliers.

Fuyao Glass Convened a Supplier Conference

In 2023, Fuyao Glass utilized the supplier conference as a communication platform to conduct speech events themed "Carbon Neutrality Goals and Requirements," conveying the significance of carbon neutrality to suppliers and assisting them in understanding their responsibilities and job requirements in emission reduction efforts. Additionally, the Company has established the Green Management Promotion Award to recognize and award suppliers who have demonstrated outstanding performance in promoting green and sustainable management. This initiative aims to enhance suppliers' awareness of green and sustainable development and encourage them to focus on ESG management practices.

Fuyao Glass Huangbo Hiking Activity

In November 2023, Fuyao Glass's "A Better Fuyao, A Better World" Huangbo Hiking Activity commenced at Wanfu Temple on Huangbo Mountain, Fuqing. Dealers, store operators, insurance companies, and customers from across the supply chain assembled at Huangbo Mountain to enhance communication and collaboration between the Company and stakeholders.



Group Photo of Fuyao Glass Huangbo Hiking Activity



Working Together to Advance the Industry

At Fuyao Glass, we adhere to the vision of setting an “example in the global industry”. Leveraging our technological and professional expertise through external partnerships, we aim to establish a model of comprehensive integration among industry, academia, and research. This approach fosters technological innovation within the industry and propels progress across the sector.

Industry Communication

While ensuring the development of Fuyao Glass, we proactively set industry benchmarks and foster collaboration and communication among enterprises. We harness the strengths of all parties, improve resource utilization efficiency, cultivate complementary advantages, and promote win-win cooperation to empower the industry’s high-quality development.

Fuyao Glass and Schneider Electric Signed a Long-Term Strategic Cooperation Agreement

In 2023, Fuyao Glass officially entered a *Long-Term Strategic Cooperation Agreement* with Schneider Electric, a digital transformation expert. The collaboration spans various areas, including medium and low-voltage distribution equipment, building control electrical equipment, high-tech smart factory hardware or software, energy efficiency, lean production, and supply chain management consulting. The partnership aims to support Fuyao Glass in achieving its digital transformation and upgrade strategy, moving towards a zero-carbon future. Both parties will further enhance their collaboration, explore the rapid establishment of new power systems, and support eco-partners in implementing digital transformation and upgrades. Together, they will advance the green and sustainable development of the industry.



Fuyao Glass and Schneider Electric Signed a Long-Term Strategic Cooperation Agreement On-Site

Fuyao Glass Hosted the Industry Exchange Event of Automotive Glass and Auxiliary Products Exhibition

In 2023, Fuyao Glass Hosted the Automotive Glass and Auxiliary Products Exhibition, closely aligning with the automotive industry’s new energy and “dual-carbon” application demands. The actual vehicle exhibition area prominently featured a diverse range of automotive glass showcasing various features such as “energy conservation and environmental protection,” “intelligent driving,” “smart connectivity,” “smart cockpit,” and “personalized styling.” Furthermore, we conducted interactive exchanges on-site, including activities such as “Front Windshield Head Model Impact Testing,” “Anti-counterfeiting Traceability Codes,” and “AR-HUD Test Drive Experience.” By demonstrating and sharing our remarkable achievements in innovative technology and user experience, we help industry participants gain a better understanding of market demands and cutting-edge technologies, thereby contributing to the sustainable and intelligent development of the industry.



Exchange Event of Automotive Glass and Auxiliary Products Exhibition

Fuyao Glass' CARG Traceability Code Establishes the Data Foundation of the Industry

Drawing on more than 30 years of precise automotive glass data collection and experience in automotive glass accessories development, Fuyao Glass has developed the China Automotive Replacement Glass (CARG) Standard Coding System. This system seamlessly integrates the identification information of each glass piece with its corresponding vehicles. Car owners or partners can simply scan the traceability code on the glass to access details such as the production factory, shipping warehouse, installation technician, car model, glass part number, position, color, dimensions, accessories, and more. This comprehensive traceability system establishes an integrated data platform for electronic supply chain management, order processing, insurance claims, statistical analysis, and standard installations, thereby laying a robust foundation for industry data management. In 2023, Fuyao Glass assigned standard identification numbers for over 240 global automotive brands and more than 50,000 types of glass.



Application of Fuyao Glass CARG Anti-Counterfeiting Traceability Code

School-Enterprise Cooperation

We place a strong emphasis on attracting and nurturing practical talent, as evidenced by the formulation of the *School-Enterprise Cooperation Management and Intern Management Regulations*. Creating a practical internship base allows us to offer students real-world work environments and project experiences, thereby enhancing their practical skills. Moreover, we actively encourage students to engage in social activities, fostering a sense of social responsibility. We engage in campus recruitment initiatives, themed “With Fuyao, Define Vision of Cars,” to attract top-tier graduates. Additionally, we deliver professional lectures at universities, sharing industry trends and practical examples related to their coursework. This approach not only helps students gain a comprehensive understanding of professional knowledge from a business perspective but also provides insights into industry dynamics and future development opportunities.

During the reporting period, we established school-enterprise cooperation relationships with nine universities and conducted 75 campus recruitment presentations. Collaborating closely with these universities, we nurtured talent through activities such as lectures and the establishment of practical internship bases, demonstrating our commitment to corporate social responsibility.

Fuyao Glass Establishes School-Enterprise Cooperation

In October 2023, Fuyao Glass Vice President Jiang Bingming visited Hefei University of Technology and held a symposium to explore collaboration opportunities with the university’s prominent disciplines and majors in project development, scientific research, talent recruitment, and outcome transformation. The goal was to enhance cooperation and elevate the university-enterprise collaboration to new heights. During the visit, Jiang Bingming shared insights on the evolving trends in the automotive glass industry with students, helping them understand industry knowledge and explore career prospects.



Negotiation Meeting for University-Enterprise Cooperation between Fuyao Glass and Hefei University of Technology

Giving Back to Society

At Fuyao Glass, we are committed to giving back to society. Guided by the values of “Respecting the Heaven and Loving the People” and “Benevolence and Benefits,” we actively participate in public welfare initiatives and fulfill our corporate social responsibility. By leveraging Fuyao’s capabilities, we contribute to social development.

Philanthropy and Charitable Acts

At Fuyao Glass, we embrace a sense of mission and responsibility, undertaking initiatives in the realms of education, culture, poverty alleviation, and support for the underprivileged. 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, Xizang, as well as our neighbor Nepal.

In 2023, Fuyao Glass donated to charitable causes

6.782 million yuan

The Heren Charitable Foundation contributed

941.30 million yuan

Chairman Cho Tak Wong Once Again Honored with the China Charity Awards

On September 5, 2023, the Ministry of Civil Affairs held the 12th “China Charity Awards” ceremony. Chairman Cho Tak Wong received the Individual Donation Award at the 12th China Charity Award. This marks the eighth occasion on which Mr. Cho Tak Wong has received this highest government-level charity award.

Since his first donation in 1983, Mr. Cho Tak Wong has upheld the principles of “Respecting the Heaven and Loving the People” and the Chinese business culture of “Benevolence and Benefits.” He has actively engaged in philanthropic activities, with cumulative donations exceeding 16 billion yuan. The charitable projects cover various areas including poverty alleviation, disaster relief, healthcare, education, ecology, and culture, spanning over 20 provinces and municipalities such as Xizang, Xinjiang, Yunnan, Guizhou, Sichuan, Gansu, Qinghai, Ningxia, Chongqing, Fujian, and Jiangxi.



The 12th China Charity Awards

Setting International Standards: Exploring Innovative Paths in Education

Launched by Mr. Cho Tak Wong, Chairman of Fuyao Glass, the Heren Charitable Foundation allocated an initial funding of 10 billion yuan to establish the Fuyao Institute of Technology. This institution, nearing completion and scheduled to commence enrollment in 2024, aims to become a comprehensive university specializing in science and engineering with unique Chinese characteristics and world-class standards. Guided by the motto of “Seeking Truth, Being Pragmatic and Innovative,” the university strives to nurture top-tier talents with international perspectives, innovative spirit, and practical skills.

Chairman Cho Tak Wong has reiterated in public interviews, “My goal in founding a university is not simply to increase the number of universities in China, but rather to emulate the establishment and operational models of exemplary institutions in developed countries, and to pave the way for and propel the advancement of education in China.” In 2023, the Fuyao Institute of Technology convened its inaugural Board of Directors meeting. Cho Tak Wong was elected as Chairman, and Academician Mei Hong from the Chinese Academy of Sciences was appointed as President. Progress on various educational initiatives is proceeding smoothly, with the main campus building already completed. Additionally, the auxiliary buildings, outdoor infrastructure, and landscaping projects are nearing completion.



Aerial View of Fuyao Institute of Technology



Chairman Cho Tak Wong and President Academician Mei Hong of Fuyao Institute of Technology

Social Impact

Fuyao Glass is highly recognized by its global customers for providing high-quality products and services. 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 to drive positive impact and enter the world stage as a token of China's manufacturing industry.

A "Non-governmental Ambassador" Promotes Positive and Constructive Development of China-U.S. Economic and Trade Relations

In October 2023, the National Committee on U.S.-China Relations (NCUSCR) held its 2023 Gala Dinner in New York. Both President Xi Jinping of China and President Joe Biden of the United States sent congratulatory letters to the event, expressing their appreciation to the NCUSCR for its longstanding commitment to fostering exchanges and cooperation between the two countries. Chairman Cho Tak Wong, recognized as a national entrepreneur and a "non-governmental ambassador" for U.S.-China relations, was invited to attend. During the event, representatives from various sectors in China and the United States engaged in a two-day discussion covering topics such as education, literature, business, climate change, charity, artificial intelligence, and more. Chairman Cho Tak Wong, one of the pioneering Chinese entrepreneurs to successfully penetrate the U.S. market, has received recognition from both the U.S. government and the public for his efforts in revitalizing the local economy, creating employment opportunities, and promoting a deep integration of Chinese and American cultures.

Chairman Cho Tak Wong was also invited to participate in various international conferences related to China-U.S. relations, including the China & Global Business Forum and the Shanghai Lanting Forum on Chinese Modernization and the World. His global entrepreneurial experiences and invaluable life wisdom have played a significant role in fostering positive and constructive progress in China-U.S. economic and trade relations.



Chairman Cho Tak Wong Attended the Lanting Forum on Chinese Modernization and the World

Explore the Global Frontiers of a Piece of Glass

In March 2023, a delegation consisting of 80 government officials from 23 countries, including Brazil, Myanmar, Bangladesh, Nepal, and Pakistan, visited the headquarters of Fuyao Glass. The visit was centered around topics such as international development aid, cross-border e-commerce, and trade promotion as part of their research and study trip to China. The delegation aimed to gain insights into the unique characteristics of China's manufacturing industry and explore opportunities for civil economic exchanges and cooperation. Fuyao Glass warmly welcomed international visitors, offering a comprehensive introduction to the Company's developmental journey and innovative strides in automotive glass technology.

In recent years, the Chinese manufacturing industry has achieved notable accomplishments as a driving force behind the "Belt and Road" strategy. As a prominent national brand in the manufacturing sector, Fuyao Glass is poised to leverage its technological prowess and brand reputation to contribute to the "Belt and Road" Initiative. The Company is committed to expanding into new global markets, utilizing innovative business formats and cooperation models to seize new growth opportunities.



Government Officials from 23 Countries Across All Five Continents Visited the Headquarters of the Fuyao Group

Staying True to the Initial Commitment of Serving the Nation and Fulfilling Duties to the People

In March 2023, Vice Chairman Cao Hui participated in the first session of the 14th National Committee of the Chinese People's Political Consultative Conference (CPPCC). During the meeting, he presented four motions focusing on breaking the carbon trading barrier to activate agricultural carbon sequestration resources, standardizing and promoting the renovation of aging communities, enhancing comprehensive psychological care for post-pandemic society, and advancing innovative practical education for youth. These proposals target areas crucial for promoting common prosperity, such as addressing the challenges of an aging society, improving youth education, and fostering the development of beautiful rural areas. They have sparked significant interest and discussion across various sectors of society.

Vice Chairman Cao Hui remains dedicated to the initial goal of serving the nation and its citizens. He focuses on conducting thorough investigations into topics concerning people's well-being and social welfare, actively providing valuable insights. In his view, this is not just a duty as an advisor in the welfare and social security sector, but also a reflection of the entrepreneurial spirit of being rich and responsible, rich and righteous, and rich and caring.



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

Future Outlook

In 2023, global economic growth continued to slow down amidst high inflation. Financial tightening in Europe and the United States intensified, resulting in tighter market liquidity, increased financing costs, and heightened credit risks across society. The international landscape remained complex and volatile, characterized by escalating geopolitical conflicts, while the stability of global industrial and supply chains faced ongoing challenges. In contrast, China's automobile production, sales, and exports achieved record highs. Fuyao seized market opportunities by aligning with prevailing trends and prioritizing quality. The Company expanded its operations, drove innovation, and improved efficiency, effectively advancing high-quality development and delivering impressive results.

As we anticipate 2024, the global economic landscape remains challenging. Ongoing geopolitical and economic tensions, along with increasing uncertainties such as societal credit risks, the potential for decoupling and disruptions in industrial and supply chains, and volatility in energy and commodity markets, all add to the complexity. Economic growth faces numerous obstacles. Nevertheless, Fuyao maintains confidence in the future, primarily derived from the following points:

1. The dedicated efforts of all employees over the years have laid a solid foundation for the Company's success;
2. The integration of new science and technology has propelled the Company towards high-quality development;
3. Looking ahead to 2024, despite global economic adjustments posing threats to many enterprises, Fuyao is well-prepared and adopts a steady approach, providing ample room for development;
4. In response to market demands, the Board of Directors has approved a total investment of 9 billion yuan in Fuqing, Fujian, and Hefei, Anhui, setting the stage for the Company's future growth.

Fuyao will continue to uphold the concept of sustainable development, enhance corporate governance mechanisms, and adhere to the principle of benevolence and benefits. By seizing global opportunities and fulfilling corporate social responsibilities, the Company will contribute to social sustainability.



Appendix

Index of the HKEX ESG Report Guideline

ESG Indicator		Location	
Environmental	Aspect A1: Emissions	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	P66-P69 P76-P79
		A1.1 The types of emissions and respective emissions data.	P77
		A1.2 Total greenhouse gas emission (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P69
		A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P69
		A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P77
		A1.5 Description of emissions target(s) set and steps taken to achieve them.	P68-P79
		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.	P73-79
	Aspect A2: Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.	P70-75
		A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	P71
		A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P73
		A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	P70-P72
		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.	P73-P74
	Aspect A3: The Environmental and Natural Resources	General Disclosure: Policies on minimising the issuer's significant impact on the environment and natural resources.	P79
		A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P79
	Aspect A4: Climate Change	General Disclosure: Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact the issuer.	P66-P69
		A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	P66-P69

ESG Indicator		Location	
Social	Aspect B1: Employment	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	P46-P50 P54-P57
		B1.1 Total workforce by gender, employment type, age group and geographical region.	P46
		B1.2 Employee turnover rate by gender, age group and geographical region.	P47
		Aspect B2: Health and Safety	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.
	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.		P58
	B2.2 Lost days due to work injury.		P58
	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.		P62-P63
	Aspect B3: Development and Training		General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P52
		B3.2 The average training hours completed per employee by gender and employee category.	P52
	Aspect B4: Labour Standards	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	P47-P48
		B4.1 Description of measures to review employment practices to avoid child and forced labour.	P47
		B4.2 Description of steps taken to eliminate such practices when discovered.	P47
		Aspect B5: Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain.
	B5.1 Number of suppliers by geographical region.		P84
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.		P85
	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.		P84-P86
	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.		P85

ESG Indicator		Location
Social	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	P32
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	P36
	B6.2 Number of products and service related complaints received and how they are dealt with.	P36
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	P42-P43
	B6.4 Description of quality assurance process and recall procedures.	P32-P34
	B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	P37-P39
	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	P28-P29
	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	P29
	B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	P28-P29
	B7.3 Description of anti-corruption training provided to directors and staff.	P29
	General Disclosure: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	P89
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	P88-P93
	B8.2 Resources contributed (e.g. money or time) to the focus area.	P90

GRI Index

Statement of use	Fuyao Glass has reported the information cited in this GRI content index for the period of January 1, 2023 to December 31, 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	P6-P9
	2-2 Entities included in the organization's sustainability reporting	P4
	2-3 Reporting period, frequency and contact point	P4-P5
	2-5 External assurance	P101-P102
	2-6 Activities, value chain and other business relationships	P7-P9
	2-7 Employees	P46
	2-8 Workers who are not employees	P84
	2-9 Governance structure and composition	P19, P26
	2-10 Nomination and selection of the highest governance body	P26
	2-11 Chair of the highest governance body	P26
	2-12 Role of the highest governance body in overseeing the management of impacts	P19, P26
	2-13 Delegation of responsibility for managing impacts	P19
	2-14 Role of the highest governance body in sustainability reporting	P19
	2-15 Conflicts of interest	P28
	2-16 Communication of critical concerns	P19, P26
	2-17 Collective knowledge of the highest governance body	P19
	2-19 Remuneration policies	P48
	2-22 Statement on sustainable development strategy	P22
	2-23 Policy commitments	P47-P48
	2-24 Embedding policy commitments	P47-P48
	2-26 Mechanisms for seeking advice and raising concerns	P29, P49, P103
	2-27 Compliance with laws and regulations	P28-P29
	2-28 Membership associations	P43
	2-29 Approach to stakeholder engagement	P20-P21
	2-30 Collective bargaining agreements	P49

GRI Standard	Disclosure	Location
GRI 3: Material Topics 2021	3-1 Process to determine material topics	P21
	3-2 List of material topics	P21
	3-3 Management of material topics	P21
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	P6
	201-2 Financial implications and other risks and opportunities due to climate change	P66-P67
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	P90-P91
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	P28
	205-2 Communication and training about anti-corruption policies and procedures	P29
	205-3 Confirmed incidents of corruption and actions taken	P29
GRI 301: Materials 2016	301-1 Materials used by weight or volume	P74
	301-2 Recycled input materials used	P74
GRI 302: Energy 2016	302-1 Energy consumption within the organization	P71
	302-3 Energy intensity	P71
	302-4 Reduction of energy consumption	P70-P72
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	P73-74
	303-2 Management of water discharge-related impacts	P73-74
	303-3 Water withdrawal	P73
	303-4 Water discharge	P77
	303-5 Water consumption	P73
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	P79
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	P69
	305-2 Energy indirect (Scope 2) GHG emissions	P69
	305-3 Other indirect (Scope 3) GHG emissions	P69
	305-4 GHG emissions intensity	P69
GRI 306: Waste 2020	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	P77
	306-3 Waste generated	P77
	306-4 Waste diverted from disposal	P78
GRI 308: Supplier Environmental Assessment 2016	306-5 Waste directed to disposal	P78
	308-1 New suppliers that were screened using environmental criteria	P85

GRI Standard	Disclosure	Location
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	P46-P47
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	P54-P57
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	P50
	403-2 Hazard identification, risk assessment, and incident investigation	P59
	403-3 Occupational health services	P62-P63
	403-4 Worker participation, consultation, and communication on occupational health and safety	P59-P61
	403-5 Worker training on occupational health and safety	P60-P61
	403-6 Promotion of worker health	P62-P63
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P62-P63
	403-8 Workers covered by an occupational health and safety management system	P58
	403-9 Work-related injuries	P62
	403-10 Work-related ill health	P62
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	P52
	404-2 Programs for upgrading employee skills and transition assistance programs	P52-P53
	404-3 Percentage of employees receiving regular performance and career development reviews	P48
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	P48
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	P90
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	P85

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. (hereinafter referred to as "Fuyao Glass" or "the Company") to perform an independent third-party verification on 2023 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 1st January 2023 to 31st December 2023, including environmental, social, and governance information and data, methods for management of material issues, actions/measures and the Company's sustainability performance during the reporting period.

Physical boundary of this verification:

- The on-site verification sampling took place at below listed location:
Fuyao Industrial Zone II, 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 all companies 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 Company are interviewed; and
- The Company's standpoint, opinions, forward-looking statements and predictive information as well as the historical data and information before 1st January 2023 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 environmental, social, and governance and other relevant areas and drew the conclusions thereof. The verification conforms to the following standards:

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

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

- Preliminary investigation of the relevant information before the verification;

Independent Verification Statement



- Confirmation of the presence of the topics with high level of materiality and performance in the Report;
- On-site review of all supporting documents, data and other information provided by Fuyao Glass; tracing and verification of key performance information;
- Special interview with the representative of Fuyao Glass's Chairman, CEO and management; interviews with the employees related to collection, compilation and reporting of the disclosed information; and
- Other procedures deemed necessary by the verification team.

Verification Conclusions

According to the verification, we believe that the data and information presented in Fuyao Glass's report are objective, factual and reliable, without systematic problems, and can be used by stakeholders.

The verification team has drawn the following conclusions on this Report:

Inclusivity	Fuyao Glass fully identifies the organisation's internal and external stakeholders, such as government and regulatory bodies, shareholders and investors, customers, employees, partners and suppliers, etc., and establishes a stakeholder communication mechanism to collect the real demands of stakeholders on a regular basis.
Materiality	Fuyao Glass has established a process for prioritising substantive issues, identified and prioritised sustainability issues that are highly relevant to the industry, and disclosed the company's concepts and management mechanisms for sustainability management and operations. There is still potential to improve the analysis of the financial impact of material issues.
Responsiveness	Focusing on issues of concern to stakeholders, Fuyao Glass clearly discloses its management methods and performance on major issues such as hazardous materials and waste management, occupational health and safety, energy conservation and emission reduction and climate change response, and customer service. At the same time, various stakeholder communication mechanisms are established to fully respond to the demands and expectations of stakeholders.
Impact	Fuyao Glass has set up a sustainable development management mechanism to continuously improve the construction of the company's sustainable development system through the formulation of an ESG work plan, the identification and monitoring of ESG risks in business processes, and the collection and reporting of information on the environment or social in the course of business on a regular basis, so as to build a solid foundation for the company's sound and sustainable operation.

Recommendations on Continuous Improvement

- It is recommended that the financial impact of each material issue will be assessed in the future and that a dual materiality analysis will be applied to prioritise the disclosure of each issue.

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 technology-related risks. Today, TÜV SÜD is present in over 1,000 locations worldwide with its headquarters in Munich, Germany. TÜV SÜD has been committed to 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

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 Employee Customer Supplier/Contractor

Business partner Community and public Media NGO Others (please specify)

2. How would you rate your opinion of the social responsibility/ESG performance of the Group?

Excellent Good General Poor

3. How would you rate your opinion of this report?

Excellent Good General Poor

4. How would you rate your opinion of the social responsibility/ESG information disclosed in this report?

Excellent Good General Poor

5. How would you rate your opinion of the structure of this report?

Very reasonable Reasonable General Less reasonable

6. How would you rate your opinion of the layout and design of this report?

Excellent Good General Poor

Please feel free to share any expectations you may have from the Group in terms of the social responsibility/ESG.

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

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Fax: (86-591) 8536-3983

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