



2024

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

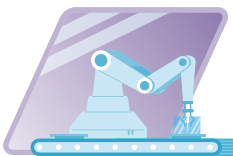
# Table of Contents

Statement by the Board of Directors	02
About This Report	04
About Fuyao	06
ESG Performance Highlights in 2024	10



## 01 Responsibility Management

1.1 ESG Philosophy	18
1.2 ESG Management	19
1.3 Stakeholders Engagement	20
1.4 Materiality Assessment	21



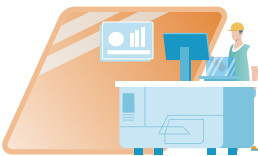
## 02 Adhering to Integrity Operation and Becoming a World-Renowned Trustworthy Brand

2.1 Consolidating Governance Foundation	24
2.2 Risk and Compliance Management	25
2.3 Adherence to Business Ethics	26



## 03 Prioritizing Quality and Becoming a Loyal Partner to Our Global Customers

3.1 Perfecting Quality Management	30
3.2 Optimizing Customer Service	35
3.3 Focusing on Product Innovation	38
3.4 Protecting Intellectual Property Rights	40



## 04 Upholding Human Orientation and Becoming the Best Employer Trusted by Global Employees

4.1 Safeguarding Employees' Rights and Interests	44
4.2 Supporting Employee Development	51
4.3 Ensuring Health and Safety	54



## 05 Going Green and Becoming a Safeguard of the Global Ecological Environment

5.1 Strengthening Environmental Management	62
5.2 Optimizing Resource Utilization	68
5.3 Addressing Climate Change	76
5.4 Commitment to Green Innovation	82



## 06 Taking Collective Action and Becoming a Noteworthy Example in the Global Industry

6.1 Building a Responsible Supply Chain	86
6.2 Working Together to Advance the Industry	91
6.3 Giving Back to Society	93



Future Outlook	96
Appendices	98

HKEx Indexes	98
SSE Indexes	100
SDGs Indexes	101
GRI Indexes	103
Third-party Assurance Report	105
Reader Feedback Form	108



# Statement by the Board of Directors

In an era focused on green development and social responsibility, Fuyao Glass has been making it its mission to promote sustainability, embedding Environmental, Social, and Governance (ESG) principles into its strategic decision-making and operational processes. The Company recognizes that effective ESG management is not only fundamental to generating long-term value but also represents a responsible commitment to societal well-being.

Fuyao Glass has established a top-down ESG governance framework. The Board of Directors, serving as the ultimate governing body, assumes full responsibility for the development and oversight of ESG strategies, ensuring a scientifically sound and forward-thinking approach to the Company's sustainability initiatives. The Board regularly reviews ESG issues, oversees the implementation of key initiatives, and continuously monitors ESG-related risks and opportunities, taking into account industry trends and stakeholder feedback. The Company remains committed to transparent and efficient governance, ensuring the transparency and effectiveness of its ESG practices.

In 2024, the Board of Directors actively engaged in ESG governance by guiding and supervising the Company's ongoing progress in addressing critical issues such as addressing climate change, energy efficiency, product quality, and workplace safety. This active involvement further deepened the Company's commitment to low-carbon transformation and the fulfillment of its social responsibilities. The Board of Directors meticulously reviewed ESG-related proposals, including annual plans and progress updates, and provided strategic direction based on the Company's development strategy and the concerns of shareholders and investors, ensuring the successful execution of strategic objectives.

This report details the progress and outcomes of Fuyao Glass's ESG efforts in 2024 and was reviewed and approved by the Board of Directors on March 18, 2025.

# About This Report

This report is the ninth 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 2024. This 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 primarily covers the core business of the Company and its major subsidiaries, both within and outside the Chinese Mainland, where it holds operational control. The scope of the report aligns with the Company's annual report. It is disclosed annually, covering the period from January 1, 2024, to December 31, 2024, with some content appropriately tracing back to previous years or extending into 2025.

## Definitions

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

## 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

This report is available in three versions: Simplified Chinese, Traditional Chinese, and English. The versions can be accessed on the Company's website (<http://www.fuyao.com>), the website of the Shanghai Stock Exchange (<https://www.sse.com.cn>), and the website of the Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>). In the event of any conflict or inconsistency among the Simplified Chinese, Traditional Chinese, and English versions, the Simplified Chinese version shall prevail.

## Reference

This report is informed by 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"), *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report* and *Guide No.4 for Self-Regulatory Supervision on Listed Companies of the Shanghai Stock Exchange—Compilation of Sustainable Development Reports*, *GRI Sustainability Reporting Standard* ("GRI Standard") released by Global Sustainability Standard Board, as well as United Nations Sustainable Development Goals (SDGs). The report is also in line with the *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.



# About Fuyao

## Company Profile

Fuyao Glass Industry Group Co., Ltd. was incorporated in 1987. The Company was 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 automobile 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 automobile 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 automobile float glass, automobile 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-driven 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.

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 automobile glass. With advanced innovative design, manufacturing, and quality control, Fuyao Glass has been recognized and selected by major automobile manufacturers and awarded as an Excellent Global Supplier.

## Annual Operation

As a leading enterprise in integrated solutions for global automobile glass and automobile float glass design, development, manufacturing, supply, and service, Fuyao Glass operates 61 subsidiaries, with 42 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 automobile safety glass products and services imbued with the wisdom and care of Fuyao employees to global automobile 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 automobile glass, manufacturing of exterior parts and glass assemblies, and ultimately culminating in the delivery to end customers. This strategic approach ensures that Fuyao effectively

## Revenue in 2024 at Fuyao Glass

Operating income

39,251.66 million yuan

Total profit

8,990.82 million yuan

Accumulated cash dividends distributed

33.334 billion yuan

(including 4.698 billion yuan of cash dividends declared and not yet paid for the year 2024)

The net profit attributable to shareholders of the listed company

7,497.98 million yuan

Basic earnings per share

2.87 yuan

Accumulated stock dividends distributed

1.406 billion yuan

Taxes paid

3.352 billion yuan

The social contribution per share

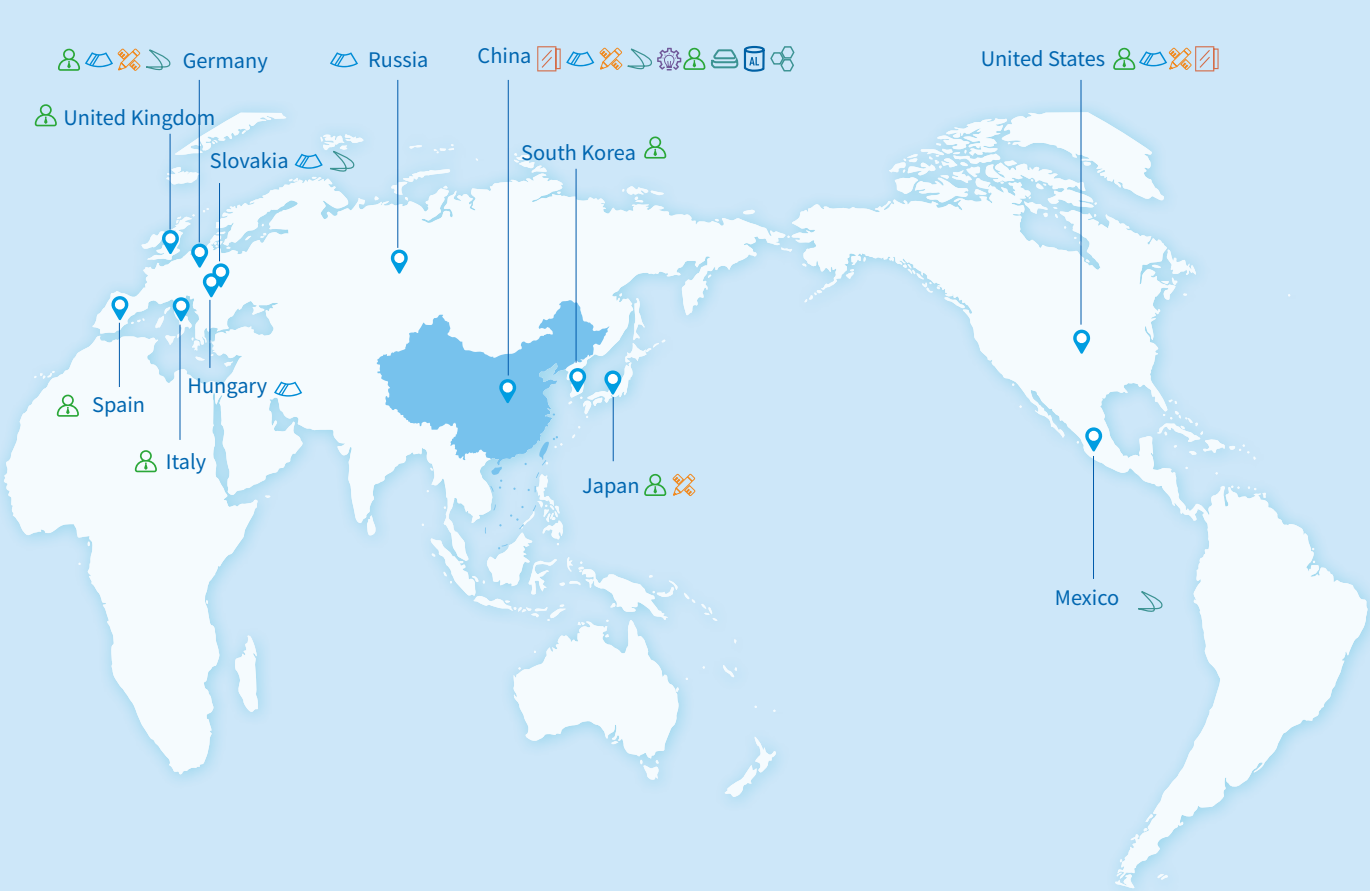
6.97 yuan

Percentage of total cumulative cash dividends and stock dividends within cumulative net profits attributable to owners of the parent company earned in 2024

65.25%



Fuyao Glass's Global Presence



审图号：GS (2016) 1562 号  
自然资源部监制

Fuyao Glass's Factories in China



审图号：GS (2019) 1825 号  
自然资源部监制

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

# ESG Performance Highlights in 2024

## ESG Performance Highlights

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

SDGs Responded

Number of subsidiaries  
conducted internal control  
management or risk evaluations

36

Coverage of manufacturing  
organizations

100%

Percentage of employees have received training on  
business ethics

100%

Percentage of complaints related to business ethics  
being handled

100%

### Prioritizing Quality and Becoming a Loyal Partner to Our Global Customers

SDGs Responded

Pass rate for the OEM customer  
performance

86%

Number of employees covered by  
information security-related training

25,684

Hours of training

13,607

Number of patents applied

793

Number of patents  
granted

251

### Going Green and Becoming a Safeguard of the Global Ecological Environment

SDGs Responded

The total installed capacity of distributed  
photovoltaic systems reached130.8<sub>MWp</sub>

The power generation capacity is

229,054.30<sub>MWh</sub>Workplaces conducted  
environmental risk  
assessments

27

representing percent  
of the total number of  
factories

100%

Another factories have  
been certified as green  
factories

3

and a total of factories  
have been certified as  
green factories

17

Manufacturing organizations obtained ISO 14001:2015  
environmental management system certification

25

with a coverage rate

92.6%

### Taking Collective Action and Becoming a Noteworthy Example in the Global Industry

SDGs Responded

Number of procurement employees completed the  
sustainable procurement training

176

Percentage of suppliers signed the sustainable  
procurement charters

76.90%

Completion rate of suppliers  
on-site CSR questionnaires

95.56%

Percentage of suppliers  
passed CSR evaluations

74.32%

Percentage of suppliers submitted reports on conflict  
minerals (tin, tantalum, tungsten, gold)

100%

Amount of social welfare donations by Fuyao Glass

3.28<sub>million yuan</sub>Amount of social welfare donations by Heren Charity  
Foundation543.10<sub>million yuan</sub>

### Upholding Human Orientation and Becoming the Best Employer Trusted by Global Employees

SDGs Responded

Proportion of employees  
have received training on  
anti-discrimination and anti-  
violation of human rights

62.91%

Percentage of women  
in top management  
positions

13.81%

Number of employees  
aided

21

with economic aid of

2.31<sub>million yuan</sub>Proportion of workplaces  
with human rights  
protection initiatives

95.24%

Proportion of employees  
covered by the collective  
bargaining agreement

64.77%

Proportion of the manufacturing  
organizations have obtained ISO 45001:2018  
certification

81.5%

## Company Honor

### January 2024

- Fuyao Group was ranked among China Best Employer Award - the Top 10 Best Employers in Fuzhou by Zhaopin in 2023.
- Tianjin Hongde Automobile Glass Co., Ltd. was awarded the Global Pilot Award by Great Wall Motor Company Limited in 2024.
- Fuyao Glass (Hubei) Co., Ltd. was awarded QCA Supplier by Changan Automobile, Certificate of Appreciation by Dongfeng Honda, Outstanding Supplier in 2023 by Chery Automobile, and Class A Supplier in 2023 by Jiangling Motors Corporation.
- Guangzhou Fuyao Glass Co., Ltd. was awarded the Golden Commitment Award in 2023 by GAC Honda, the Best Quality Partner in 2023 by FAW-Volkswagen, the Brand Promotion Award of 2023 by GAC MOTOR, and Outstanding Supplier of 2023 by Xiaopeng Motors.
- Fuyao Group (Shanghai) Automobile Glass Co., Ltd. was awarded the Quality Excellence Award by Volvo, the Outstanding Business Award of 2023 by Changan Mazda Automobile Co., Ltd, and the Best Supplier of 2023 by SAIC-GM.
- Fuyao Glass (Zhengzhou) Co., Ltd. was awarded the Zhengzhou AI Scenario Application Innovation Award in 2023 by the Zhengzhou Bureau of Science and technology.
- Fuyao Glass (Zhengzhou) Co., Ltd. was awarded the Zhengzhou Waste-Free Factory of the Year 2023 by the Zhengzhou Municipal Bureau of Ecology and Environment.

### February 2024

- Chairman Cho Tak Wong was ranked the "People of ESG of the Year 2023 in Chinese Enterprises" by China Enterprise Confederation (CEC) and China Enterprise News.
- Fuyao Group was awarded the Supplier of the year 2023 by Hyundai Motor.
- Fuyao Group Changchun Co., Ltd. was awarded the Excellent Quality Supplier to Audi's Quality Assurance Department by FAW-Volkswagen.
- Tianjin Hongde Automobile Glass Co., Ltd. was awarded the Quality Contribution Award by Great Wall Motor Company.
- Chongqing Wansheng Float Glass Co., Ltd. was awarded the Waste-free Factory by the "Waste-free City" Pilot Work Leadership Group in the Wansheng Economic Development Zone.

### March 2023

- Chairman Cho Tak Wong was named China Philanthropist of the Year 2023 by China Philanthropy Times.
- Fuyao Group received the Outstanding Supplier Award and the Sustainability Award in 2023 from John Deere.
- Fuyao Glass (Zhengzhou) Co., Ltd. was awarded the Advanced Unit of 2023 by Occupational Health by the Zhengzhou Health Commission.
- Fuyao Group Changchun Co., Ltd. Received the New Noble Flag Award from FAW Hongqi, the Excellent Partner Award from FAW-Volkswagen, and the New BESTUNE - Golden Stallion Award by FAW BESTUNE.
- Chongqing Wansheng Fuyao Glass Co., Ltd. received the Excellent Quality Award from SAIC GM Wuling Automobile Co., Ltd.
- Tianjin Hongde Automobile Glass Co., Ltd. was awarded the Pioneer Smart Quality Award from FAW-Volkswagen.

### April 2024

- Fuyao Group's "Industrialization of High Strength Ultra-thin Chemically Tempered Automobile Glass Technology" won the First Prize of the Scientific and Technological Result Translation Award of Fujian Science and Technology Award in 2022 issued by Fujian Provincial People's Government.
- Fuyao Group was among the Top 50 Excellent Brands of the Year in the 2024 Forbes China Brand Value Series Selection.
- Fuyao Group received CDP's 2023 Leadership Award on Climate and CDP's 2023 Leadership Award on Water Security in April 2024.

### May 2024

- Fuyao Group was listed as one of the Enterprises Committed to Employment Integrity in Fujian Province by the Department of Human Resources and Social Affairs of Fujian Province.

### June 2024

- Chairman Cho Tak Wong was honored with the Model Philanthropist of the Year at the Charity Ceremony 2024 by *The Philanthropy Times*.
- Fuyao Group was selected by Tsinghua University's Institute for Global Industry as the third runner-up in the automobile parts and components category of China's industry leaders list.
- Fuyao Group (Shenyang) Automobile Glass Co., Ltd. was awarded the Enterprises with Outstanding Contribution in the First Year of the Three-Year Comprehensive Revitalization and Breakthrough Action by the Shenyang Municipal Government.
- Zhengzhou Fuyao Group Automobile Glass Co., Ltd. was awarded Zhengzhou's Advanced Unit of Occupational Health by the Zhengzhou Health Commission and the Enterprise of Health in Zhengzhou by the Zhengzhou Patriotic Hygiene Movement Committee in 2023.





## July 2024

- Fuyao Group was listed as one of Fujian's Leading Manufacturing Enterprises in Automobile Glass by the Department of Industry and Information Technology of Fujian Province.
- Fuyao Group was honored by Deloitte with the 6th China's Best Managed Companies.
- Fuyao Glass (Hubei) Co., Ltd. was selected as a Green Factory on the 2024 Provincial Green Manufacturing List by the Department of Economy and Information Technology of Hubei Province.
- Digital workshop for packaging of high value-added products of Chongqing Wansheng Fuyao Glass Co., Ltd. was selected to be on the list of Chongqing Digital Workshops in 2024, which was recognized by Chongqing Economic and Information Commission.
- Zhengzhou Fuyao Glass Co., Ltd. was listed as the Chain Master of Zhengzhou Advanced Manufacturing Industry Chain issued by the Zhengzhou Bureau of Industry and Information Technology.
- Chongqing Wansheng Float Glass Co., Ltd. was awarded the Class A Taxpayer (2014-2024) by the Tax Bureau of Wansheng Economic and Technological Development Zone.

## September 2024

- Fuyao Group received the Best Quality Partner 2024 from NIO Motors.
- Fuyao Group was awarded the AE Excellent Supplier Award and the Sustainability Award by John Deere in 2023.
- Fuyao Group was ranked No. 4 in the Top 10 Automobile Parts Manufacturing Industry Ranking of 2024 Chinese Enterprises by *Southern Weekly*.
- Fuyao Group was ranked 17th in the list of Top 100 A-share Listed Companies in ESG Disclosure in 2024 published by Sino-Securities Index Information Service (Shanghai) Co.Ltd, with a rating of "A".
- Fuyao Group was awarded the Five-Star Gold Award for Social Responsibility of Listed Chinese Manufacturing Companies 204 by The China Association for Promoting UN Procurement.
- Fuyao Group Changchun Co., Ltd's Smart Factory for Automobile Glass was selected as one of the 2024 Smart Factories in Jilin Province by the Jilin Provincial Department of Industry and Information Technology.

## November 2024

- Fuyao Group was selected by the State Administration for Market Regulation of the People's Republic of China as one of the first 34 Leading Enterprises in Building a Country Strong on Quality.
- Fuyao Group was selected as one of China's Most Admired Companies in 2024 by *Fortune*.
- Fuyao Group was ranked 30th in the Dual Carbon Innovator List for Industrial Manufacturing issued by the CSR Research Center of *Southern Weekly*.
- Fuyao Group was awarded the Excellent Practice Cases of Board of Directors of Listed Companies 2024 by the China Association for Public Companies, and the Project "Renewed Idle Roofs with Photovoltaic Power Generation to Unleash Green Energy Potential" was awarded the Best Practice Cases of Listed Companies' Sustainable Development 2024.
- Fuyao Group was selected by QQ.com and Finet.HK as one of the Top 100 Hong Kong Stocks with Comprehensive Strength.

## December 2024

- Fuyao Group was listed in the China Top 100 Overseas Brand Index Report released by *HWW of People's Daily* and GYBrand Global Brand Research Institute.
- Fuyao Group was selected as one of the China Corporate ESG 100 Index released by *HWW of People's Daily* and All-China Environment Federation.
- Fuyao Group was listed as the Best Practice Cases of Board Offices of Listed Companies 2024 by China Association for Public Companies; Li Xiaoxi was rated 5A in the Performance Evaluation of Secretaries of Boards of Directors of Listed Companies 2024, and was awarded the Excellent Secretary Award in Golden Quality Award 2024 by *Shanghai Securities News*.
- Fuyao Group was awarded Grade A in the CRHC ESG Rating.
- Fuyao Group was awarded the Best ESG Practice Award for Listed Companies in 2024 at the China Racetrack and ESG Sustainable Development Conference organized by Value Online.
- Fuyao Group was named the Quality Transformer in the list of China New Growth 2024 organized by *Harvard Business Review in China*.
- Fuyao Group was honored with the China's Most Potential Employee in China Best Employer Award by Zhao[pin].
- Fuyao Group was selected as one of the Top 100 Employers of the Year in China New Generation of Employers 2024 by 58.com .
- Tianjin Hongde Automobile Glass Co., Ltd. was awarded the National Green Factory by the Ministry of Industry and Information Technology.
- Guangzhou Fuyao Glass Co., Ltd. was awarded the Partner of Xiaopeng by Xiaopeng Automobile.
- Fuyao Glass (Hubei) Co., Ltd. received the Quality Contribution Award 2024 from VOYAH, and the Excellent Supplier award from Anhui JAC Automobile Group Co., Ltd.
- Fuyao Glass (Suzhou) Co., Ltd. was awarded the title of Smart Factory 2024 in Suzhou by the Suzhou Bureau of Industry and Information Technology.
- The Improvement case of "Enhancement of Intelligent Pillar Product Yield" of Fujian Fuyao Automobile Trim Co., Ltd won the first prize in the 8th Model Lean Improvement Competition organized by the Lean Management Institute of Guangdong.

## October 204

- Fuyao Group was awarded the highest grade - the rating "A" in the information disclosure evaluation of listed companies in Shanghai by the Shanghai Stock Exchange for the years 2023 to 2024.
- Fuyao Group was selected as one of the Top 100 Listed Companies in China in terms of Health Index in 2023 by p5w.net
- Fuyao Group won the Golden Bull Award 2023- The Best for Investment" and the Golden Information Disclosure Award 2023 in the Golden Bull Award for Listed Companies series of lists organized by *China Securities Journal*. Chairman Cho Tak Wong was honored with the Golden Bull Award 2023 - Outstanding Entrepreneur and Mr. Li Xiaoxi, Secretary of the Board, was awarded the Golden Bull Award - Secretary.
- Fuyao Group was honored as one of the Top 100 Main Board Listed Companies by Value of China Listed Companies by the *Securities Times* in the 18th session of the China Listed Companies Value Award.
- Fuyao Group was awarded the Dawn Award in Corporate Governance in the Dawn Awards in *ESG by Weekly on Stocks*.
- Fuyao Group was awarded the highest grade "A" in the Investor Relationship Management Evaluation of Listed Companies in Fujian Province by the Listed Companies Association of Fujian for the year 2023-2024.
- Fuyao Glass (Suzhou) Co., Ltd. received the Li TOP Award from Li Automobile in 2024.



# 01

## Responsibility Management

Fuyao Glass highly prioritizes sustainability management, aiming to advance the sustainable progress of both the Company and broader society, while actively embodying its core values and ESG philosophy. The Company has established and continuously refines its ESG management framework, deeply integrating sustainability considerations into its strategic decision-making, daily operations, and management practices. This commitment extends to the complete operational lifecycle of the Company. Furthermore, Fuyao Glass actively fosters communication with stakeholders to identify material issues and effectively promote improvements in ESG management and the implementation of related initiatives, thereby generating sustainable, long-term value for all stakeholders.





## ESG Philosophy

Since its inception, Fuyao Glass has remained dedicated to its core philosophy of "A Better Fuyao, A Better World," striving to integrate business development with contributions to society. Guided by a clear mission for tomorrow, the Company's aspirations have evolved from the initial goal of "manufacturing quality glass independently for Chinese people" to "becoming the most competitive supplier specialized in automobile glass in the world" and, ultimately, "benefiting the world". Under the actions of the Chairman of the Board of Directors as a key driver, Fuyao Glass is committed to returning value to society. Fuyao Glass adheres to safety, health, and environmental policies emphasizing compliance, a people-centric approach, green and low-carbon practices, and ongoing enhancement. Through its own development, Fuyao Glass seeks to contribute to its customers, employees, the industry, and the public, actively striving to be a responsible global corporate citizen.

### Diligence

- Ethics: Completing our work with pride and responsibility
- Perseverance: Seeking perfection in our craftsmanship
- Strive: Striving for excellence with an unyielding spirit

### Innovation

- Responsibility: Be responsible for all of your social roles
- Courage: Never fear change or failure
- Vision: Respect the past, weigh the present, and aim at the future

### Core Values

### Simplicity

- Honesty: Being honest and trustworthy, while adhering to our principles
- Goodwill: No matter how small the act, always do the right thing
- Pragmatism: Avoiding vanity, boastfulness and material gain

### Learning

- Professionalism: Skillfulness, improvement and perfection
- Open-mindedness: Being open to new ideas with modesty and the ability to learn from others
- Progress: Never stop pursuing excellence and making groundbreaking breakthroughs

## Fuyao's Goals



To become loyal partner to our global customers



To become a noteworthy example in the global automotive glass industry



To become a trusted employer

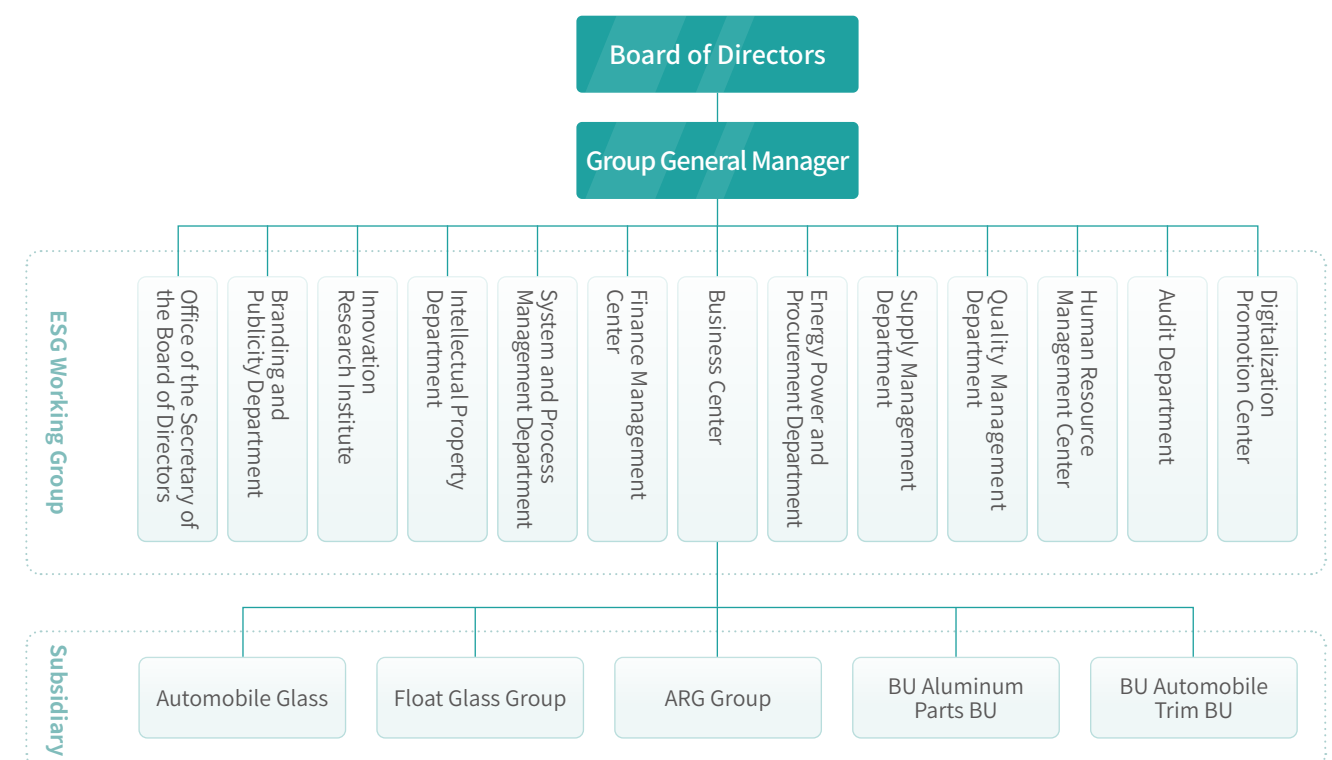


To become a world renowned brand

## ESG Management

To foster high-quality and sustainable development, Fuyao Glass has established a comprehensive ESG management system. This system clarifies the focus of ESG initiatives and delineates responsibilities at each organizational level, ensuring that all departments maintain professionalism, standardization, and consistency in their ESG-related activities. This, in turn, safeguards the effective execution of ESG strategies.

Fuyao Glass employs a multi-tiered ESG management structure encompassing the Board of Directors, ESG working groups, and various business units and functional departments. This structure effectively integrates ESG management strategies into all departments and core business processes. The Board of Directors serves as the ultimate decision-making body for ESG matters, responsible for overarching coordination of the Company's ESG endeavors, oversight of the ESG working groups, and ultimate accountability for ESG governance. The ESG working group, comprising heads of functional departments, collaborates with business units and functional departments to formulate ESG work plans, identify and monitor ESG-related risks within business processes, and regularly promote the systematic collection and reporting of environmental and social data from each business process. Under the guidance of the ESG working group, each business unit and functional department executes day-to-day ESG-related tasks, including ESG data collection, and the implementation of ESG programs and policies. The Company's ESG management utilizes a bi-directional feedback mechanism. ESG data collected by business units and functional departments is synthesized and analyzed by the working group and subsequently reported to the Board of Directors for deliberation. Solutions determined by the Board of Directors are then delegated to the working group for specific implementation by the relevant departments.



ESG Management Structure at Fuyao Glass

Fuyao Glass actively advances the standardization of its ESG management practices. To this end, the Company has developed and consistently refines the *Fuyao Glass Social Responsibility Code of Conduct*, a publicly accessible document for all employees and suppliers engaged in business relationships with the Company. This code explicitly defines the Company's standards and expectations regarding labor rights, health and safety, environmental protection, and business ethics.



Stakeholders Engagement

Fuyao Glass attaches importance to stakeholder expectations and demands, and builds a multi-channel communication framework to understand and address the stakeholder concerns timely. The Company integrates stakeholder perspectives into its business decisions and development practices, promoting the mutual growth of the enterprise and its stakeholders.

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

Materiality Assessment

To sort out and clarify the focus of its sustainability governance and address stakeholder concerns regarding sustainable development, Fuyao Glass undertakes an annual materiality identification and assessment.

During the reporting period, the Company revised its list of material issues, referencing *Guide No.4 for Self-Regulatory Supervision on Listed Companies of the SSE—Compilation of Sustainable Development Reports* and considering prior materiality assessments, stakeholder communication, changes in the external environment, and management discussions. This process resulted in the initial identification of the financial and impact materiality of each issue. Building upon the twenty-one issues outlined in *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*, the Company refined and consolidated its lists of material issues in 2023. Further refinement of the assessment results is planned for 2025.



Dual-Materiality Matrix

# 02

## Adhering to Integrity Operation

### and Becoming a World-Renowned Trustworthy Brand

Effective corporate governance serves as the foundation for establishing a world-renowned trustworthy brand. Fuyao Glass adheres rigorously to both domestic and international laws and regulations and ensures compliance and promotes efficient management through robust governance mechanisms and comprehensive risk management. The Company has further entrenched its commitment to integrity, upholding high standards of business ethics in all operations while continually enhancing its modern governance system and capabilities.

#### SDGs Responded



#### Annual Major Progress

Number of subsidiaries conducted internal control  
management or risk evaluations

36

Coverage of manufacturing  
organizations

100%

Percentage of employees have received  
training on business ethics

100%

Percentage of complaints related to  
business ethics being handled

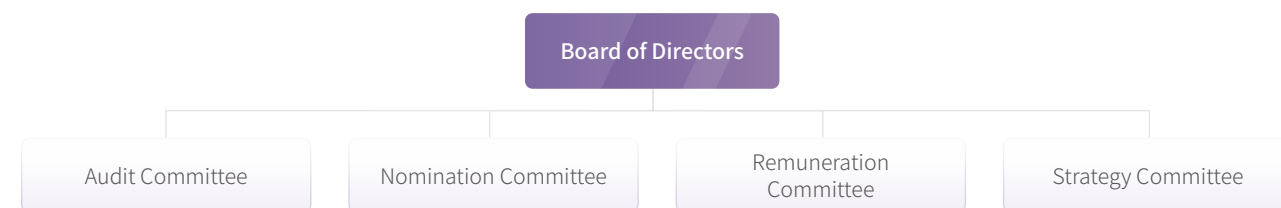
100%

## 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 strengthened and fine-tuned 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 stable operation.

The Board of Directors of the Company is accountable to the Shareholders' General Meeting and consists of four specialized committees. The Company has implemented an independent director system in alignment with international practices. The Audit, Nomination, and Remuneration and Assessment Committees are chaired by independent non-executive directors and a majority of the seats on these committees are held by independent directors. The Company explicitly defines the roles

and responsibilities of each committee and has established an appraisal and remuneration management system for its directors and senior management. Additionally, the Board supervises the Company's strategic decisions, business operations, and financial performance, thereby promoting sustainable and stable development. For details regarding the composition and responsibilities of each committee, please refer to the investor relations section<sup>1</sup> of the Company's website.



Fuyao Glass attaches importance to the diversity of its Board of Directors. To ensure that the Board reflects a range of viewpoints and perspectives, the Company has established a Board Diversity Policy. This policy explicitly states that, in determining the composition of its Board, the Company will consider diversity from several perspectives guided by the principle of meritocracy. These perspectives include, but are not limited to, gender, age, cultural and educational backgrounds, ethnicity, professional experience, skills, knowledge, and tenure. Additionally, the Company has developed the *Rules of Procedure of the Board of Directors*, *Independent Directors System*, and other related frameworks in accordance with the provisions of the Corporate Governance Code to guarantee access to independent views and opinions. The effectiveness of these systems is reviewed annually. For detailed information regarding the members of the Board of Directors and their convenings, please refer to the Company's annual report or the investor relations section of the Company's website.

### In 2024

In the Golden Bull Award for Listed Companies series of lists organized by *China Securities Journal*.

Fuyao Group won the

**Golden Information  
Disclosure Award 2023**

### During the reporting period

the Board of Directors of  
Fuyao Glass consists of

**9** directors

Composition of the Board of Directors at Fuyao Glass

executive  
directors

**4**

non-executive  
directors

**2**

female director

**1**

independent non-  
executive directors

**3**

male directors

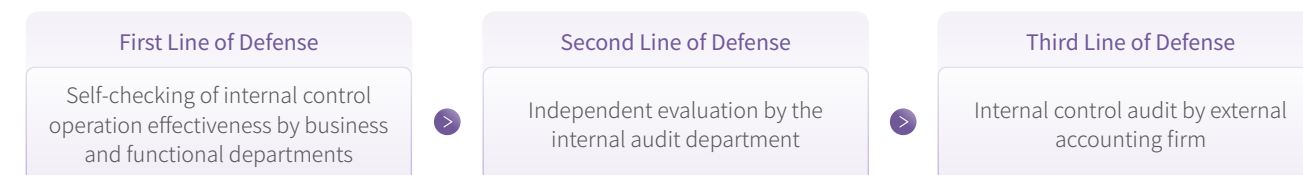
**8**

## Risk and Compliance Management

Fuyao Glass continues to optimize its internal control processes while strengthening its compliance operations and risk management capabilities to ensure the standardization and efficiency of its business activities. The Company has established an internal control system that aligns with international standards and regulatory requirements and has developed key internal documents, including the *Internal Control System*, *Internal Audit System*, *Checklist of Key Risks in Internal Control*, and *Management System for Internal Audit Projects*. In 2024, the Company revised the *Internal Control Standard Management Manual* to integrate risk management with internal control, thereby enhancing its capacity for risk prevention and control as well as operational stability.

The Company has established Three Lines of Defense for internal control and risk management, consisting of management by business departments, internal independent evaluation, and external supervision and review. It has clarified the specific roles and responsibilities associated with each level of this framework during the internal control and risk assessment processes. These three lines of defense complement and reinforce one another to ensure the effective functioning of the internal control system. The Company continues to optimize its process system,

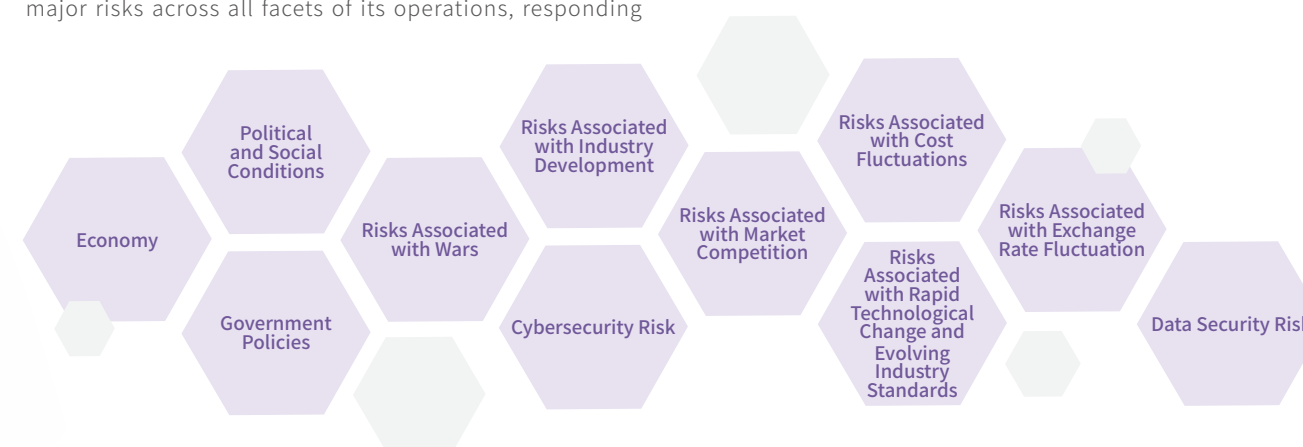
gradually integrating the principles of internal control and risk management into all aspects of its operations and management. This approach facilitates the establishment of a long-term internal control management mechanism characterized by a culture of risk management awareness among all staff, active participation in internal control efforts, and shared responsibility in compliance management. Such measures are designed to support the Company's strategic objectives and foster long-term sustainable development.



Three Lines of Defense for Risk Control at Fuyao Glass

Fuyao Glass continues to engage in conducting various management audits to optimize and enhance the Company's internal control system. The company develops an annual internal management audit plan, which is approved by an audit committee under the board of directors. In 2024, the Company performed specialized audits for new construction projects and mandated its subsidiaries to implement effective internal audits in accordance with the internal control manual. This approach increased audit coverage and ensured the accuracy and completeness of risk identification. The Company regularly identifies and evaluates major risks across all facets of its operations, responding

effectively through structural adjustments, process integration, and technological innovations. During the reporting period, the Company defined the key areas to be included in the evaluation scope based on a risk-oriented principle. The total assets of the units included in the internal control evaluation accounted for 97.98% of the total assets in the Company's consolidated financial statements, while the covered operating revenues represented 99.84% of the total operating revenues reported in those statements, ensuring compliance with the principles of comprehensiveness and materiality in risk management.



Identified Key Risks Facing the Company in 2024

<sup>1</sup> <https://www.fuyao group.com/en/governance.html#column>



Adherence to Business Ethics

Fuyao Glass is committed to upholding the principles of integrity by integrating business ethics into its daily operations and decision-making processes. The Company adheres to high standards of business ethics and has established a comprehensive business ethics framework that promotes anti-corruption and enhances employees' awareness of integrity. It continuously improves its complaint and reporting mechanisms and is dedicated to fostering an open and transparent business environment in collaboration with its partners.

## Business Ethics System

Fuyao Glass strictly adheres to the *Anti-Unfair Competition Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, and the *Anti-Money Laundering Law of the People's Republic of China*, along with other relevant laws, regulations, guidelines and standards applicable to listed companies both domestically and internationally. The Company promotes the development of a compliance system for business ethics and requires its employees to act in good faith and adhere to the code of business ethics. The Board of Directors is ultimately responsible for matters related to business ethics and adopts a "zero-tolerance" policy toward bribery, corruption, malpractice, and other violations of this code, rigorously opposing any corrupt behaviors that could adversely affect the Company. The company identifies key units,

Fuyao Glass upholds integrity as a fundamental principle and has established clear internal systems and processes that employees must adhere to regarding work ethics, anti-fraud measures, conflict of interest, and supplier integrity management. In addition to continuous anti-fraud oversight, the Company conducts annual fraud risk assessments and audits across its subsidiaries, with the heads of the business units bearing primary responsibility for the management of business ethics. All instances of fraud are integrated into the annual performance evaluation scores for both the Company's management and its subsidiaries, fostering a workplace environment that values honesty and integrity.

Work Ethics	<ul style="list-style-type: none"><li>■ We establish comprehensive internal systems, including 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 provide employees with thorough guidance on work ethical standards.</li><li>■ We implement a Gift Acceptance Registration Form to meticulously document the sources, contents, and recipients of gifts, thereby preventing any potential bribery during the gift acceptance process.</li><li>■ We require our customers to sign the Commitment to Anti-Bribery, which ensures that our partners are well-informed about the Company's code of business ethics and helps prevent bribery and other unethical behaviors in business activities.</li></ul>
Anti-Fraud	<ul style="list-style-type: none"><li>■ We establish 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.</li><li>■ We formulate the <i>Regulations on Employee Reward and Punishment Management</i>, outlining specific punitive measures for illegal activities such as fraud, self-dealing, bribery, and corruption in business operations.</li></ul>
Anti-laundering	<ul style="list-style-type: none"><li>■ We adhere to the standards of conduct established by domestic and international anti-money laundering laws and commit to engaging exclusively with reputable partners who have legitimate sources of funding.</li></ul>
Conflict of Interest	<ul style="list-style-type: none"><li>■ We establish the <i>Conflict of Interest Management System</i> and the <i>Personnel Avoidance System</i> to regulate company personnel management.</li><li>■ We require our senior managers and employees potentially facing conflicts of interest to complete a Conflict of Interest Declaration Form, raising employee awareness of anti-corruption and anti-fraud.</li></ul>
Supplier integrity management	<ul style="list-style-type: none"><li>■ We sign the Law Compliance Commitment and the Guarantee to Supplier Discipline with all suppliers, which require them to adhere to the Company's Code of Business Ethics and Behavior. Fuyao Glass reserves the right to terminate the business relationship and impose a penalty if suppliers are found to have bribed the Company's employees.</li><li>■ We conduct on-site training to promote the principles of integrity management among suppliers. Suppliers are also required to regularly engage with the Company's code of business ethics and behavior through video courses.</li></ul>

Code of Business Ethics at Fuyao Glass

<sup>2</sup> Fuyao Glass has 27 production-oriented subsidiaries (manufacturing organizations) in its main business, all of which have been included in the scope of the business ethics internal control audit and internal control risk assessment in 2024, accounting for 100% of the total.

## Fostering Integrity Awareness

Fuyao Glass is committed to fostering a culture of integrity by regularly providing training on business ethics and integrity education for both directors and employees. This initiative ensures that all personnel understand the Company's code of ethics and reinforces the development of a clean and honest corporate culture.

In 2024, the Company intensified its efforts in anti-corruption and integrity education through various publicity initiatives. These included anti-corruption campaigns and the dissemination of integrity warnings and announcements via WeChat accounts and office platforms. During the reporting period, the Company issued the "Notice on Strengthening Integrity and Self-discipline during the Chinese New Year" and the "Integrity over Mid-Autumn Festival and National Day" publicity posters. The integrity education was provided to all employees. Simultaneously, the Company conducted on-site training to underline its integrity standards and the importance of compliance with business ethics. Additionally, integrity-themed training sessions were organized for employees and suppliers within the procurement system. Understanding of the Company's business ethics standards was further enhanced by having participants sign a commitment letter and by requiring regular engagement with video courses covering key topics such as malpractice prevention and commercial bribery. These efforts contributed to strengthening internal supervision, management accountability mechanisms, and fostering an atmosphere supportive of anti-corruption and integrity promotion.

During the reporting period

100%

of directors at Fuyao Glass received business ethics training

100%

of employees of Fuyao Glass received business ethics training

31,404

employees in Fuyao Glass's domestic subsidiaries signed the "Commitment on Anti-corruption and Integrity"

98.4%

achieving a coverage rate of

100%

coverage rate of personnel in procurement and sales system positions

## Regulating Whistleblowing and Supervision

At Fuyao Glass, we maximize the democratic supervisory role of all employees. 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 email.

The Dedicated Reporting Hotline

0591-85363456

E-mail

GM@fuyao group.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 and complaints 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 whistle-blower 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, the Company received four reports of integrity violations through various reporting channels. One verified case of employee corruption was addressed. There have been two corruption incidents within the Company over the past three years. The Company achieved a 100% complaint-handling rate for business ethics-related reports and a 100% case closure rate for business ethics-related issues.

# 03

## 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 fosters the development of high-quality products and services by cultivating skilled talent, optimizing customer service, and strengthening privacy management, all based on enhancing its quality management system. The Company is dedicated to technological product innovation, supported by a standardized intellectual property management system and an innovation incentive mechanism that bolsters its independent research and development capabilities, thus enabling the continuous provision of high-quality innovative products to customers.

#### SDGs Responded



#### Major Annual Progress

Pass rate for the OEM customer performance

86%

Number of employees covered by information security-related training

25,684

Hours of training

13,607

Number of patents applied

793

Number of patents granted

251



## Perfecting Quality Management

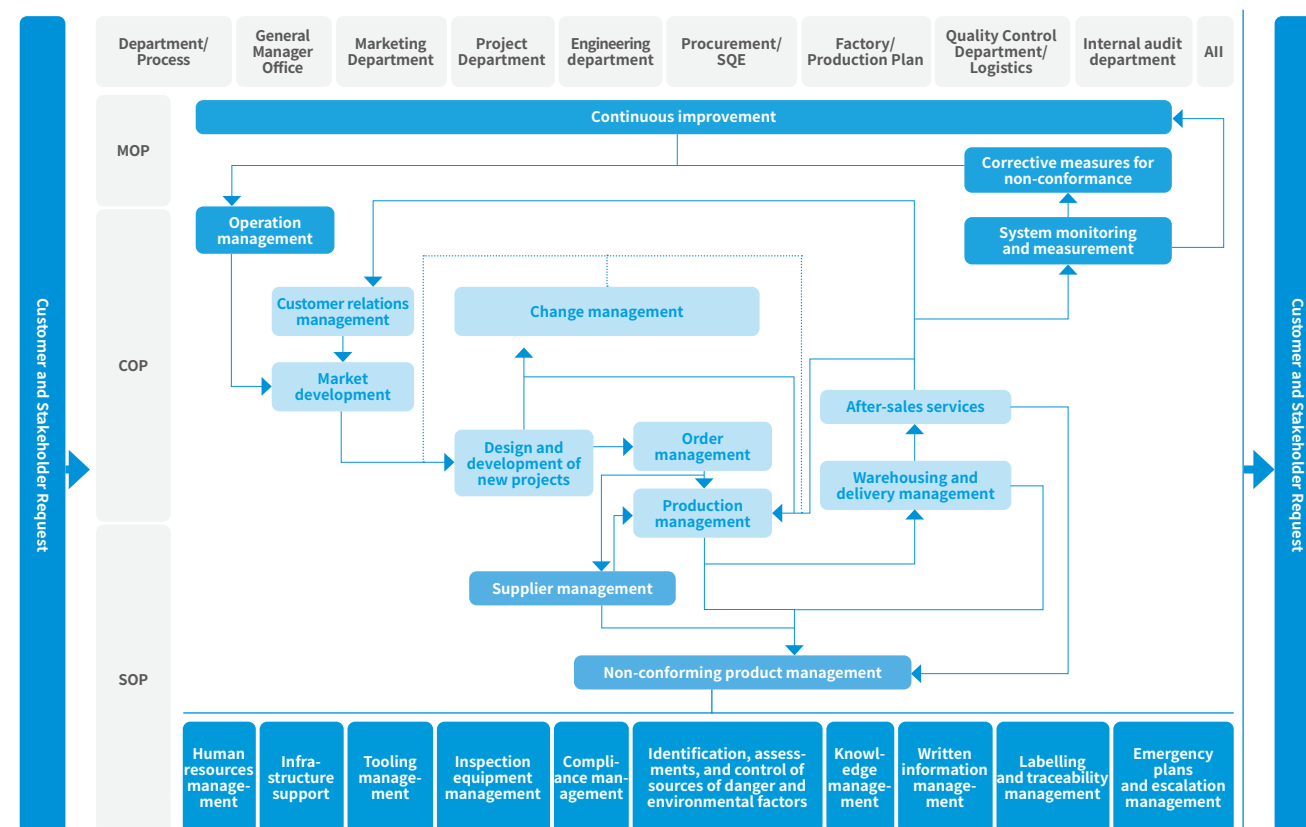
Fuyao Glass insists on the "four pillars (good grades, high quality, positive characters, and superb products) as one cornerstone and two stimuli" quality management model, which serves as the foundation for achieving the Fuyao Three Highs quality goals (high efficacy, high stability, and high performance). We consistently optimize our quality management system while advancing the development of an information technology platform to monitor and manage product quality throughout its life cycle. Simultaneously, the Company emphasizes fostering a quality culture and enhancing the quality responsibility of all employees through targeted training, thereby ensuring the delivery of high-quality products and services to our customers.

### Quality Management System

Fuyao Glass complies 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. In 2024, to enhance the standardization of operational processes and quality management of exported products, the Company revised the *Quality Management Regulations for European Subsidiaries and Domestic Subsidiaries for Exports of Automobile Glass*. This revision incorporates external laws and customer requirements to delineate the quality rights and responsibilities of both European and domestic subsidiaries, thereby promoting further improvements in the quality of exported

products and customer satisfaction.

The standardized workflow of Fuyao Automobile Glass's quality system prioritizes customer needs and ensures that product quality meets the expectations of customers and relevant stakeholders. This is achieved through the integration of the Management Oriented Process (MOP), Customer-Oriented Process (COP), Support Oriented Process (SOP), and a multi-level quality management process. The Company's product quality workflow encompasses various stages of the product life cycle, including customer relations, market development, design, production, warehousing, and after-sales service. It also works together with multiple departments to implement targeted management initiatives aimed at enhancing product and service quality.



Fuyao Automobile Glass's Standardized Workflow Specifications for the Quality System

Fuyao Glass consistently implements a tripartite quality audit mechanism to ensure compliance and effectiveness in its product quality management. The Company adheres to a "three lines of defense" audit approach, which encompasses regular internal audits, project audits and system audits by customers, and external audits conducted by third-party certification organizations. In 2024, Fuyao Glass conducted 28 tripartite audits for 100% of its subsidiaries. There were no quality-related complaints that recalls due to product quality defects.

#### In 2024

Fuyao Glass conducted

28 tripartite audits for 100% of its subsidiaries

NO

recall-type serious customer complaints



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



- Customers' external audits. Regularly accept project audits and annual system audits by customers.



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

#### Quality Tripartite Audit at Fuyao Glass

In 2024, Fuyao Glass achieved certification for 28 subsidiaries under IATF 16949:2016 or ISO 9001:2015, resulting in a 100% certification rate for manufacturing organisations. Furthermore, the Company has been honored with Volvo's VQE Quality Excellence Award, Overseas Hyundai's Outstanding Supplier Award, and the FAW Hongqi's Flag Award, which reflect customer recognition of Fuyao Glass's product quality and service excellence.

#### In 2024, Fuyao Glass was listed as

China's Top 100 Automobile New Supply Chains

Leading Enterprises in Building a Country Strong on Quality



## Enhancing Quality Capabilities

Adhering to the quality management policy of "Customer First, Full Participation, Scientific Management, and Pursuit of Excellence," Fuyao Glass consistently enhances its quality management capabilities across six key areas: product innovation, process collaboration, intelligent manufacturing process, supply synergy, agile service, and fundamental supports. These efforts contribute to the steady improvement of product quality.

### Quality Enhancement Measures in 2024

<b>Quality in product innovation</b> <ul style="list-style-type: none"><li>Conduct engineering validation during the stage of R&amp;D</li><li>Conduct design validation during the stage of design</li><li>Conduct production validation during the stage of development</li><li>Drive the optimization of integrated product development (IPD) from R&amp;D to production</li></ul>	<b>Quality in the intelligent manufacturing process</b> <ul style="list-style-type: none"><li>Conduct one round of each of the Group's Unannounced Inspection and annual Quality Review, identifying three regulatory and risk deficiencies, 42 items of horizontal expansion, and 771 opportunities for improvement</li><li>Prepare 17 Quality Engineering (QE)<sup>3</sup> operation manuals</li><li>Develop a full life cycle digital platform for quality</li><li>Promote AI-driven appearance inspection, piloting six instruments in Suzhou and Guangzhou</li></ul>
<b>Quality in process collaboration</b> <ul style="list-style-type: none"><li>Identify and categorize six types of critical control points in processes and strengthen the foundational aspects of both process and product quality</li></ul>	<b>Quality in supply synergy</b> <ul style="list-style-type: none"><li>Conducted annual supplier audit</li></ul>
<b>Quality in agile service</b> <ul style="list-style-type: none"><li>Develop customer service operation manuals for ten major OEM<sup>4</sup> customers to standardize the customer service process and enhance operational efficiency.</li><li>Assess the status of domestic subsidiaries as suppliers for external customers in export operations, which includes five domestic subsidiaries, 13 external customers, five product categories, and 340 individual parts</li><li>Establish a process for the return of overseas ancillary products and supervised the destruction process on-site</li></ul>	<b>Quality in fundamental support</b> <ul style="list-style-type: none"><li>Foster monthly supervision of quality reviews and promote proactive quality planning</li><li>Transition from the quality penalty to quality points for grassroots employees</li><li>Introduce a new "internal tripartite" for problem containment before shipping, identifying six critical control points in the process to strengthen the foundation of process and product quality</li><li>Issue a "one-vote veto" notice to eliminate the incident of recall and fulfill the requirement for the demotion of the vice general manager twice during the reporting period</li></ul>

In 2024, Fuyao Glass enhanced its quality management system by emphasizing comprehensive quality planning, optimizing the quality of the supply chain through collaborative efforts, and implementing thorough monitoring of both manufacturing processes and product quality. The Company prioritized the development of a quality management information platform and aimed to enhance its overall quality capabilities through a series of top-down quality management strategies, ultimately contributing to steady improvements in product quality. In 2024, the Company experienced a 40% reduction in market return PPM<sup>5</sup>, with after-sales service fees accounting for only 0.26% of total revenue. Furthermore, the qualification rates for various product types reached between 96.95% and 99.28%.

<sup>3</sup> QE: Quality Engineering, responsible for quality planning, control, and improvement of projects or products to ensure that products meet customer requirements and quality standards at all stages.

<sup>4</sup> OEM: Original Equipment Manufacturer.

<sup>5</sup> Returns PPM: Parts Per Million, refers to the number of returns per million products.

### The Automobile Glass Group Conducted Unannounced Inspection in 2024

In 2024, the Quality Control Department and the Engineering Research Institute of Automobile Glass Group initiated the "Unannounced Inspection" program. This program involved random inspections across the Glass Glass subsidiaries for a duration of 3 to 5 working days, encompassing process audits, product audits, customer service evaluations, management system assessments, and the implementation of compliance with circular requirements. The inspection process included random checks of product lines and products, emphasizing strict adherence to quality indicators. Any identified risk points required prompt rectification, thereby establishing a closed-loop management system. Additionally, the results of these inspections were linked to performance evaluations, with penalties imposed in the form of demerit points for non-compliance. The "Unannounced Inspection" initiative has reinforced the enforcement of processes, quality standardization, and on-site discipline among subsidiaries, significantly enhancing the quality of products and services.

## Supplier Quality Management

Supply chain quality management is a crucial component of product quality management. Fuyao Glass continually enhances its supply chain quality management system to ensure that quality requirements are met from the inception of the value chain. The Company implements rigorous quality management systems and conducts process audits and approval processes for Tier 1 suppliers. This includes potential supplier audits, new material development process audits, annual supplier audits, and monitoring for irregularities. Additionally, Tier 1 suppliers must possess quality management systems recognized by the Company, and there is a focus on the management mechanisms of Tier 1 suppliers concerning Tier 2 and Tier 3 suppliers. In 2024, the Company arranged peer audits by quality management personnel of float glass for purchased raw material suppliers included in the annual audit scope to enhance the management levels of external raw material suppliers.

In 2024, Fuyao Glass implemented specialized coaching programs for its suppliers of parts, which included the following initiatives:

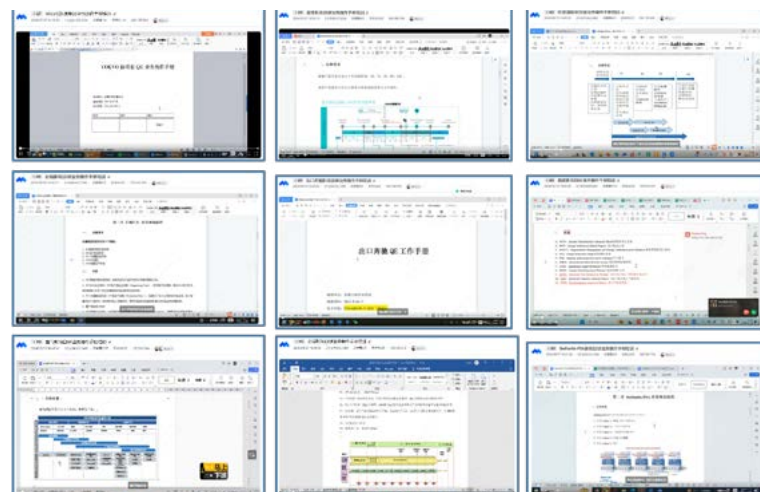
<b>Specialized Coaching for 23 Suppliers</b> <ul style="list-style-type: none"><li><b>Quality:</b> A total of 875 coaching sessions were held throughout the year, focusing on annual supplier enhancements, outsourcing management, and standard development.</li><li><b>Technology:</b> Technical Requirements (TR) templates were optimized and the experience libraries were established for all 23 suppliers.</li><li><b>Capacity:</b> Twelve suppliers were encouraged to enhance their equipment or production lines, while five suppliers established new production bases to accommodate the growing demand for production capacity, reflecting an 18.2% year-on-year increase in supply volume for FY24.</li></ul>	<b>Month of Quality Activities for 31 Suppliers</b> <ul style="list-style-type: none"><li><b>Planning and Promotion:</b> From May to June, suppliers conducted kick-off meetings to promote Month of Quality activities.</li><li><b>Implementation:</b> From June to October, suppliers executed over 170 activities, including 48 training sessions and 48 competitions.</li><li><b>Evaluation:</b> Suppliers summarized their Month of Quality activities, and Fuyao Glass selected five outstanding suppliers based on activity outcomes and key performance indicators (KPIs).</li></ul>
--	--

## Fostering a Culture of Quality

The culture of quality serves as a fundamental pillar supporting the sustainable development of a company. Fuyao Glass is dedicated to continuously optimizing its quality management training system. Through a combination of structured courses and practical exercises, employees gain a comprehensive understanding of the Company's standards for quality and control processes. In 2024, Fuyao Glass conducted quality training that engaged 75,600 participants and accumulated a total of 103,800 training hours. This initiative effectively enhanced the quality management capabilities of both individuals and teams. Additionally, Fuyao Glass has implemented a quality assurance incentive mechanism that comprehensively evaluates employees' quality management abilities in their actual work. This mechanism is designed to recognize and reward outstanding performance, thereby fostering motivation among all employees to engage in quality improvement. Ultimately, this approach promotes a positive interplay between product quality and talent development, further advancing the Company's commitment to cultivating a strong culture of quality.

### Fuyao Glass Quality Engineering (QE) Manual Training

In 2024, Fuyao Glass produced 17 manuals addressing various Quality Engineering (QE) operations and conducted 17 corresponding training sessions for its automobile glass subsidiaries, engaging over 500 participants. This training significantly improved the professional skills of the QE team and ensured that the Company met the quality requirements associated with project development for diverse customer segments. Furthermore, it contributed to the realization of the goals of prevention first and smooth mass production.



Presentation During Training on QE Manual



## Optimizing Customer Service

Fuyao Glass is committed to enhancing customer service quality. This is achieved through the optimization of the customer service process, real-time tracking of product quality complaints, and the strengthening of customer privacy management. These efforts collectively aim to enhance mechanisms for protecting customers' rights and interests from multiple angles and foster strong customer relationships.

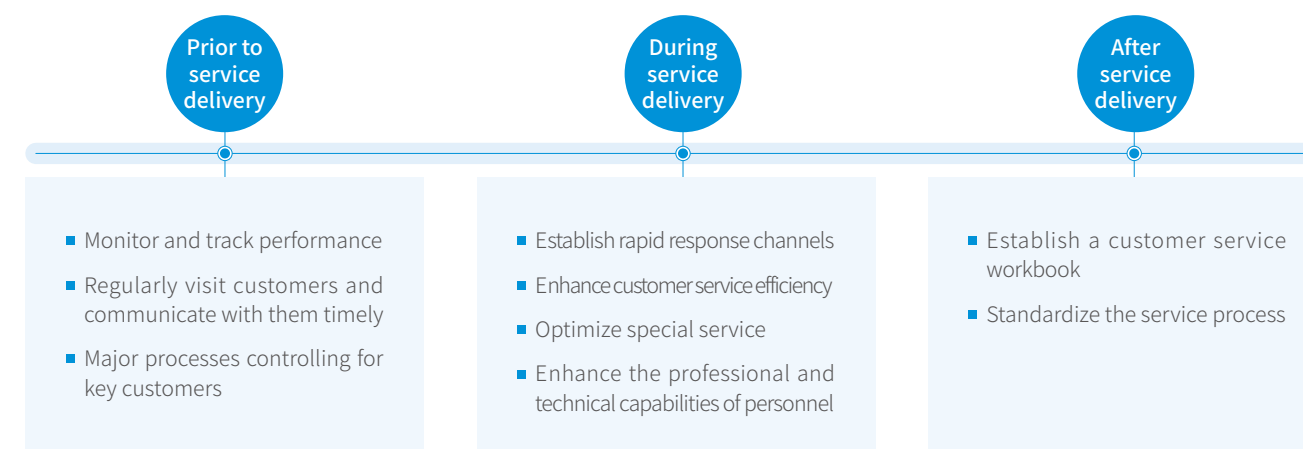
## Raising Customer Satisfaction

Fuyao Glass adheres to the principle of Customer First and strictly follows national laws, regulations, and industry standards. The Company has established internal systems such as the *Customer Service Management Regulations* and the *Return Management Process*. In 2024, it issued the Circular on Practicing the One Vote Veto to Eliminate Recall Accidents, emphasizing a "One Vote Veto" policy mechanism. Under this mechanism, the Company mandates a One Vote Veto policy<sup>6</sup> to the responsible deputy general manager for any defects that could lead to a market recall, as well as for quality incidents involving batches exceeding one logistics trolley (one box or one rack). The General Manager is accountable for two repeated incidents of the same defect type.

Fuyao Glass continues to optimize its customer complaint-handling process by adhering to the "1-3-7" principle. This framework allows the Company to assess specific situations by collecting customer feedback and implementing initial response measures within one working day. Customer complaints are classified and prioritized according to the *Classification Criteria for the Nature of Problems* and then escalated to

appropriate personnel following the *Customer Complaint Escalation Process*. This ensures that preliminary investigation results are communicated within three working days, and a comprehensive investigation report, detailing processing progress and subsequent rectification actions, is provided within seven working days. To facilitate effective communication, the Company has established a dedicated quality mailbox (fy.qualityservice@fuyaogroup.com) for receiving customer opinions and feedback, with a dedicated staff assigned for follow-up. In 2024, Fuyao Glass did not experience any serious customer complaint incidents concerning recall.

In line with its core objective to enhance customer experience and satisfaction, Fuyao Glass has expanded the quality parameters of its global service network. The Company has developed a comprehensive service system characterized by quick response, ad hoc enhancement, and establishment of standards. It continues to improve service management across the three key phases: prior to, during, and after service delivery, reinforcing its commitment to providing exceptional service to every customer.



Customer Service Quality Enhancement

<sup>6</sup> "One Vote Veto policy": The term "one-vote" refers to the principle that any defects potentially leading to market recovery from quality incidents involving batches exceeding one logistics trolley (one box or one rack) will result in direct accountability and possible demotion for the responsible individual.

In 2024, Fuyao Glass developed customer service operation manuals for each of its 10 major OEM customers. These manuals delineate customer service activities according to different business types and provide a detailed explanation of the operational processes involved. This initiative normalized and standardized the customer service process, thereby enhancing response speed and efficiency while optimizing key performance metrics, such as the parts per million (PPM) of returned goods and customer satisfaction indexes. Additionally, Fuyao Glass regularly monitored the performance of each OEM customer on a monthly basis, conducted customer satisfaction surveys across its subsidiaries, and implemented plans to improve customer satisfaction. In 2024, the Company achieved an 86% pass rate for OEM customer performance evaluations, reflecting a 5% increase compared to 2023.

## Fuyao Glass Community Operations

In 2024, Fuyao Glass continued to advance its community operation initiatives, effectively engaging target customer groups through a combination of online launches, offline experience activities, and live streaming. These initiatives were supported by multi-channel dissemination via platforms such as the WeChat Official Account, WeChat Channel, Automobile Home, and DCar. Fuyao Glass actively builds and maintains a customer database to accurately align customer needs and promote efficient interactions in daily operations. Furthermore, the Company enhances customer satisfaction and brand influence by organizing activities such as closed-door sharing sessions, private branding events, and product launches, while also engaging active car owners in specialized online forums. In 2024, Fuyao Glass's marketing efforts reached 500,000 individuals, reflecting a significant increase compared to 2020. Additionally, the Company successfully established two B-end customer groups and two C-end user groups, resulting in substantial accumulation and effective management of private traffic.



Fuyao Glass Community Operations

## Ensuring Customer Information Security

Fuyao Glass prioritizes the protection of customer information security as one of its core focus. The Company strictly adheres to national laws and regulations, including 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 reinforce this commitment, Fuyao Glass has established internal protocols, such as the Management Regulations on the Information Security Code of Conduct, and the Regulations for Personal Information Protection to protect the privacy and security of our customers with standardized information use processes and strict information management requirements.

In 2024, Fuyao Glass revised key internal management documents, including the Information Security Management Manual, Management Regulations on Information Asset Security, and Management Regulations on Information Security Communication Version 02. By enhancing the information security management system, refining information asset management methods, and

improving communication channels related to information security, the Company sets forth higher standards for information security management. This comprehensive optimization ensures that customer privacy and security are fully safeguarded. During the reporting period, Fuyao Glass reported no incidents of customer private information leakage in any form.

The Company has developed a comprehensive information security management policy that integrates both technical and managerial elements to ensure effective implementation. From a technical standpoint, Fuyao Glass employs encryption and implements strict access controls to maintain the confidentiality, integrity, and availability of data throughout its lifecycle. On the management side, an information security management committee has been established to address information security issues promptly through regular internal audits and assessments, while also verifying and mitigating potential risks.

## In 2024, Fuyao Glass

- Conducted a comprehensive network security audit for both the internal and external networks of the entire Group, which included network-wide vulnerability scanning, penetration testing of core business systems, and attack and defense drills. The Company promptly addressed security issues identified during the audit to ensure effective resolution of vulnerabilities and reduction of network security risks.
- The Changchun Aluminum Parts subsidiary successfully achieved TISAX AL3<sup>7</sup> certification. As of December 31, 2024, the Group's headquarters and nine subsidiaries had obtained TISAX certification.
- The Group's headquarters also successfully passed the ISO 27001:2022 information security management system certification renewal audit, thereby maintaining the validity of its certificate.

Fuyao Glass actively fosters a corporate culture of information security and continuously enhances employees' awareness of this critical area. The Company employs various methods, including signing confidentiality agreements with all employees and project members, conducting regular information security training, and organizing emergency drills, to deepen employees' understanding of information security regulations, potential risks, and contingency measures. These initiatives have improved the information security literacy of all employees and mitigated potential risks, thereby ensuring the privacy of customers. In 2024, Fuyao Glass's information security training reached 25,684 employees, totaling 13,607 training hours.

### Four information security training sessions

- **Security Management Training:** Training on Cloud Security, ISO 27001:2022 System Documentation Framework, Risk Management
- **Legal Awareness Training:** Training on Trade Secrets, Personal Information Security and its Derivative Legal Issues, and Training on Awareness of Personal Protection Law

### Five Information Security Emergency Drills

- Emergency Exercise for Large-scale Virus on Terminals
- Emergency drill for disruption of dedicated lines
- MES system<sup>8</sup> emergency drill
- ERP system<sup>9</sup> emergency drill
- PLM system<sup>10</sup> emergency drill

## Fuyao Glass Conducts Legal Awareness Training on Information Security

On September 5, 2024, the Legal Affairs Department of Fuyao Group invited the Group's external legal consultant to provide training on trade secrets, personal information security, and the associated legal issues for relevant departments. The training specifically addressed the interpretation and prevention of insider crimes against the lawful rights and interests of private enterprises, alongside the legal considerations surrounding personal information security. Its purpose was to enhance employees' legal awareness and improve the overall level of information security compliance management. The session lasted two hours and engaged 998 employees.

<sup>7</sup> TISAX AL3: the highest level of general information security assessment for the German Automobile industry.

<sup>8</sup> MES system: Manufacturing Execution System.

<sup>9</sup> ERP system: Enterprise Resource Planning System.

<sup>10</sup> PLM system: Product Lifecycle Management System.



## Focusing on Product Innovation

Fuyao Glass adheres to the "leading technology and intelligent production" strategy, actively embracing new trends and hotspots of the Automobile 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. The Company prioritizes product innovation as the central engine for driving brand advancement. By emphasizing practicality, it effectively addresses the diverse needs of the market. Fuyao Glass is committed to increasing its investment in innovation and technology research and development (R&D) while enhancing its independent R&D capabilities and fostering the innovation skills of its employees. In 2024, the Company focused on improving product performance, reducing energy consumption, and optimizing human-machine interaction to conduct research and achieve significant advancements.

### Coating helps heat front windshield and quickly defrost

Fuyao Glass incorporates a nano-silver and metal oxide film on the inner surface of Automobile glass, providing excellent sun protection and thermal insulation. This innovative coating can block 95% of infrared rays and 99% of ultraviolet rays, comparable to applying the highest level of UPF 50+ sunscreen to the skin. It effectively prevents sunburn, heatstroke, wrinkles, and freckles, while also slowing the aging of Automobile interiors. When exposed to sunlight for 1.5 hours at 42°C, the temperature inside the vehicle can be reduced by 7-15°C compared to standard glass. Additionally, it can also utilize a conductive metal film layer to give uniform heating across the glass surface for rapid defrosting and defogging, thereby maintaining for visibility during driving.



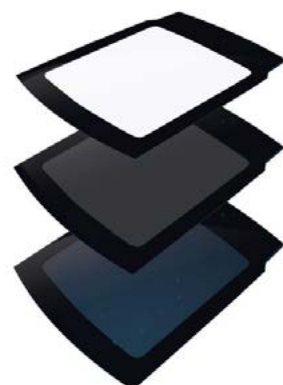
Coated glass

### Dimming technology for adjusting glass transparency

PDLC dimming

DC dimming

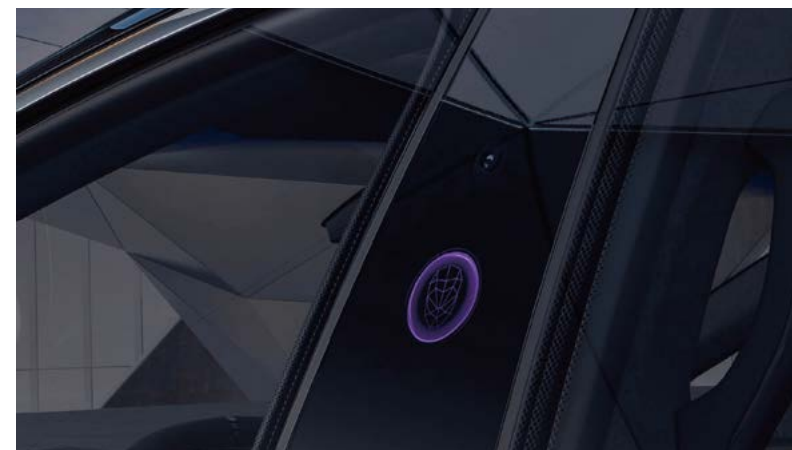
EC dimming



Structure of dimmable glass

Fuyao Glass has made a significant advancement in electrochromic dimming technology with the global launch of its Sunroof EC Dimming Panoramic Front Windshield and Black EC Dimming Products. This innovative glass maintains optimal light levels by regulating the dimming of the front windshield and canopy. It introduces a new perspective for the Automobile industry, which continues to grapple with issues related to sun exposure and glare from panoramic sunroof front windshields. This technology enhances driving comfort and safety while effectively reducing energy consumption and promoting sustainable development within the industry.

### Intelligent B pillar facilitating human-computer interaction



Intelligent B pillar

Fuyao Glass has developed an intelligent B pillar that integrates essential modules to display the results of human-computer interaction directly on the pillar itself. In intelligent driving mode, the pillar monitors the surrounding environment and initiates safety protocols in static mode to maintain continuous monitoring and alertness. Additionally, the intelligent B pillar supports features such as keyless entry, fingerprint identification, and vehicle positioning, significantly enhancing the overall driving experience.

### Front windshield with black edge enhancing user experience

Fuyao Glass employs a local polarized light reflection method alongside a black-edge printing design to effectively facilitate an extended bottom-edge information display. This system integrates intuitive AR navigation arrows that present real-time traffic, weather updates, and road warnings directly within the driver's line of sight to minimize distractions and enhance the navigation experience. Besides, this innovation addresses the entertainment needs of front passenger seats, achieving dual optimization of safe driving and passenger comfort.



Front windshield with black edge

# Protecting Intellectual Property Rights

We strictly abide by the *Patent Law of the People's Republic of China, the Trademark 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, ensuring the protection of its intellectual property rights while respecting the intellectual property achievements of others. The Company has established internal systems, including the *Patent Management Regulations* and the *Regulations on Fair Competition, Patent Application and Maintenance Process, Patent Review Rules*, and *Patent Agency Review Rules*, to standardize the processes of patent application and maintenance in areas such as proposal, examination, submission, management, maintenance, and review. These initiatives promote the compliant development of patent application activities. To stimulate the R&D potential of its employees, Fuyao Glass has also implemented *Patent Reward Measures* that outline the criteria for patent rewards and distribution, provide equitable material rewards to inventors, and establish innovation awards to encourage employee creativity. Furthermore, the Company evaluates and rewards high-value and high-quality patents developed from the previous year.

In 2024, Fuyao Glass continued to advance the formulation and implementation of its *Patent Plan*, executing a patent strategy focused on high-value-added products and a global market strategy. The Company achieved all key indicators for patent applications, setting a record high in the number of invention patent applications. By the end of the reporting period, invention patents comprised nearly 60% of the total product patents applied for by the Company throughout the year, with significant breakthroughs in the application and grants of overseas invention patents. Additionally, Fuyao Glass issued the *Rules for the Management of Technologies Not Suitable for*

*Patent Protection but Protected as Trade Secrets* to maximize the protection of technological innovations and commercial interests. This document provides comprehensive guidelines on factors of identifying technologies unsuitable for patent protection, the determination process, post-determination management, applications of these technologies, and incentives for inventors. During the reporting period, the Company also updated and refined the *Quality Evaluation Criteria for Patent Agency* to ensure objective evaluation of patent agency quality, thereby better reflecting the actual quality of patents.

In 2024, Fuyao Glass

Applied for patents

793

With patents granted

251

domestic and international invention patents

100

Achieved an

80%

authorization rate for invention patents

Automobile Glass Patent Portfolio Project was included in

the Fuzhou High-Value Patent Portfolio Project for 2024

Project Type	Domestic Invention	International Invention	Domestic Utility Model	Domestic Design	PCT	Total
Number of Applicants	296	179	254	0	64	793
Number of Grants	89	11	143	8	0	251

Patents Applied for and Granted from January 1st, 2024 to December 31st, 2024 (for the Whole Group, Including Subsidiaries)

Project Type	Domestic Invention	International Invention	Domestic Utility Model	Domestic Design	PCT	Total
Number of Applicants	1,667	263	2,017	32	196	4,175
Number of Grants	766	22	1,765	31	0	2,584

Accumulated Patents Granted to the Company by December 31st, 2024 (for the Whole Group, Including Subsidiaries)

Fuyao Glass enhances its intellectual property protection system by aligning it with the Company's business management characteristics. The Company has developed an online patent management platform and continues to optimize its operations. This initiative facilitates effective information management of business processes, intelligent archiving, and early warning systems for potential patent risks. Collectively, these efforts significantly improve the efficacy of the Company's internal utilization and management of intellectual property information.

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.

IT-based Patent Management

In 2024, Fuyao Glass actively promoted intellectual property rights (IPR) training by organizing a minimum of 19 relevant sessions, totaling over 42 hours of instruction and 265 participants. The training included product departments, R&D divisions, and technical teams from subsidiaries, targeting middle and senior leaders, experienced product managers, product design engineers, technical R&D engineers, and other professionals in key roles.



# 04

## Upholding Human Orientation

### and Becoming the Best Employer Trusted by Global Employees

In its pursuit of becoming the best employer for global employees, Fuyao Glass is committed to a people-oriented approach that safeguards the fundamental rights and welfare of its employees. The Company promotes the development of a talent management system aligned with its globalization efforts and consistently enhances its investment in health and safety. Fuyao Glass is dedicated to creating a fair, open, collaborative, and safe working environment.

#### SDGs Responded



#### Major Annual Progress

Proportion of employees have received training on anti-discrimination and anti-violation of human rights

62.91%

Proportion of workplaces with human rights protection initiatives

95.24%

Percentage of women in top management positions

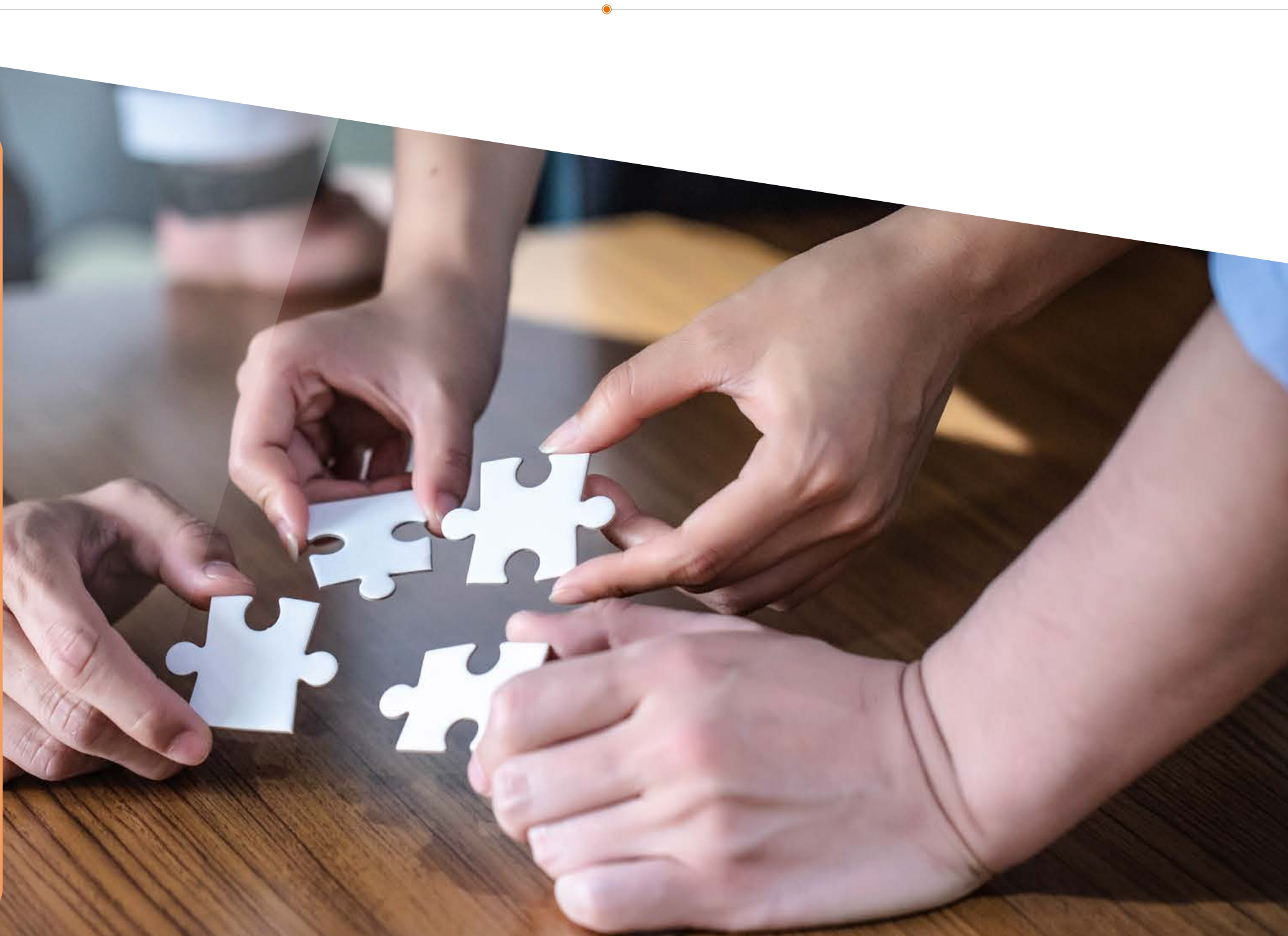
13.81%

Proportion of employees covered by the collective bargaining agreement

64.77%

21 employees were provided with economic aid of 2.31 million yuan

81.5% of the manufacturing organizations have obtained ISO 45001:2018 certification





## Safeguarding Employees' Rights and Interests

Fuyao Glass prioritizes and protects its employees' fundamental rights and interests. The Company attracts talent through the principle of inclusiveness, establishes diverse and effective communication channels, emphasizes work-life balance, and fosters a warm and harmonious work environment for all employees.

## Lawful 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*. We have established specific documents such as the *Regulations on Recruitment Management*, and the *Regulations on Safeguarding Workers' Rights and Interests*. Based on its strategic planning, the Company forecasts recruitment demands and attracts and retains exceptional talent through campus recruitment and external talent sourcing. During the reporting period, Fuyao Glass produced the Data-driven Analysis of the Campus Recruitment Market and successfully recruited approximately 1,000 outstanding graduates from various colleges and universities across China. The Company continued to enhance collaboration between universities and enterprises by establishing joint talent cultivation and employment partnerships with 21 universities in 2024. This initiative facilitates industry-academia integration and promotes targeted employment by organizing professional lectures, and seminars, and creating internship programs.



Internship orientation



Organize professional lectures

During the reporting period, Fuyao Glass was awarded



Outstanding Campus Recruitment Award



China's Most Potential Employee in China Best Employer Award

As of the end of the reporting period, Fuyao Glass had a workforce of 37,910 employees, comprising 37,560 payroll employees, 305 interns, and 45 other employees, including rehired retirees.

### As of the end of the reporting period

Fuyao Glass had a workforce of employees

**37,910**

On the Payroll Employees

**37,560**

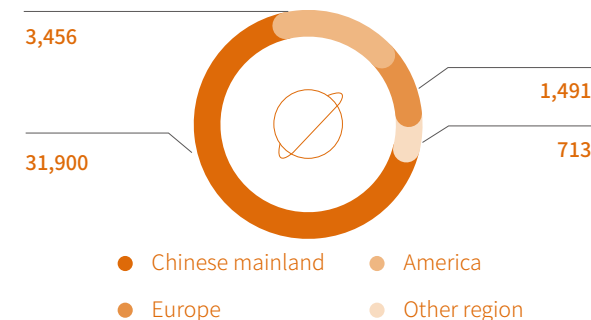
Interns

**305**

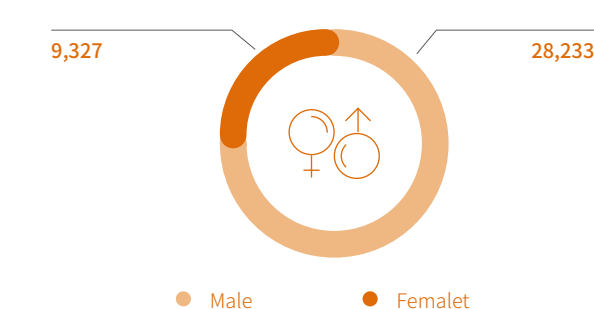
Others (including rehired retirees)

**45**

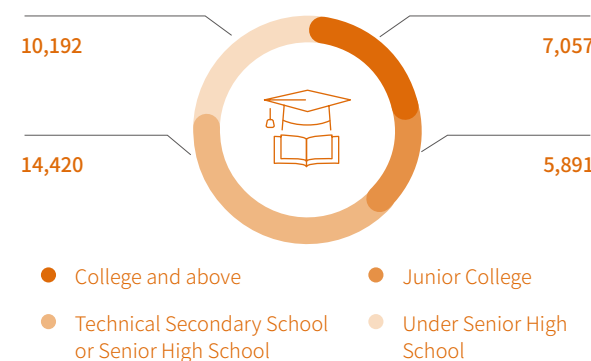
### The Number of employees by region



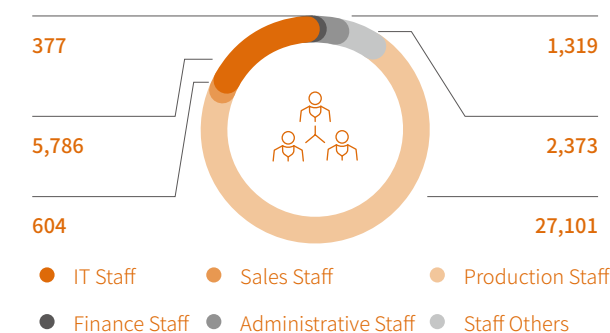
### The Number of Employees by Gender



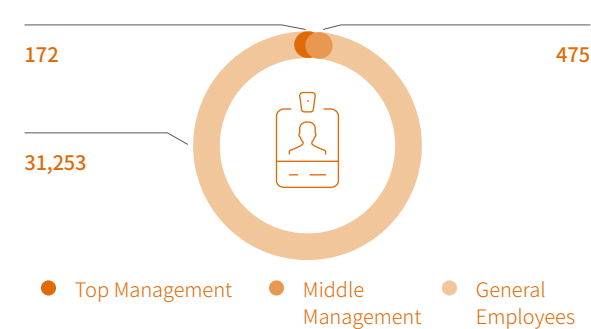
### The Number of Employees by Education



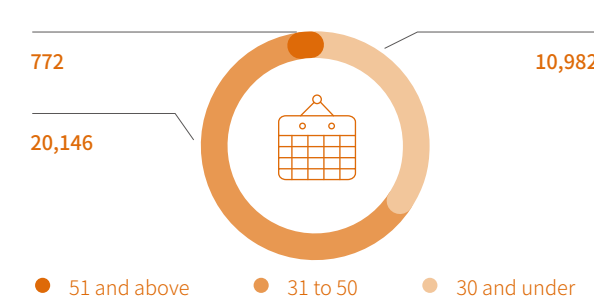
### The Number of Employees by Profession



### The Number of Employees by Rank (Chinese mainland)<sup>11</sup>



### The Number of Employees by Age (Chinese mainland)



Employee Composition in 2024 at Fuyao Glass (on the payroll employees)

<sup>11</sup> Refers to employees on the payroll of Chinese mainland enterprises, similarly hereinafter.

Performance Name		Number of people		Rate
Total Employee Turnover		8,141		17.8%
The Employee Turnover Rate by Gender	Male	6,709		19.2%
	Female	1,432		13.3%
The Employee Turnover Rate by Age (Chinese mainland)	30 and under	4,192		27.6%
	31 to 50	3,897		16.2%
	51 and above	52		6.3%

Turnover of Employees at Fuyao Glass in 2024 (on the payroll)

Fuyao Glass safeguards the fundamental rights and interests of its employees, including compensation, rest, occupational health and safety, collective bargaining, and freedom of association, in compliance with all applicable laws and regulations. The Company prohibits the recruitment and employment of child labor, as well as all forms of forced labor. Throughout the reporting period, there were no reported instances of either child labor or forced labor within the Company.



#### Fuyao Glass's Policies and Requirements for Legal Employment

- Before Recruitment, we explicitly prohibit the use of child labor and forced labor, and provide training for recruitment personnel to ensure compliance.
- During recruitment, we rigorously review candidate data, mandating the submission of valid identification documents to confirm identity. The Human Resources (HR) system also performs mandatory age verification to prevent the recruitment of child labor.
- We adhere to the principles of fairness and voluntariness in employment practices, explicitly prohibiting all forms of forced labor. The Company's Management Regulations on Employee Attendance and Vacation systematically manage employee vacation and production schedules, thereby safeguarding employees' rights to take leave.
- Upon separation from the organization, we ensure employees can freely initiate and terminate their employment.

## Diversity and inclusion

Fuyao Glass gives due consideration to diversity and treats all employees equitably. The Company explicitly prohibits the use of selection criteria irrelevant to job requirements and discriminatory practices in management processes, encompassing recruitment, training, promotion, demotion, and termination. Furthermore, Fuyao Glass fosters an understanding and tolerant environment that respects the diverse cultures and individual characteristics of its employees, providing equal opportunities for career development. The Company places a high value on the protection of the rights and interests of employees with disabilities by offering welfare subsidies and installing accessibility facilities, such as ramps and restrooms, to ensure convenient working and living conditions.

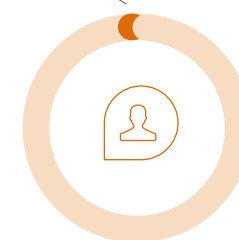


Accessible ramps and restrooms at the Company



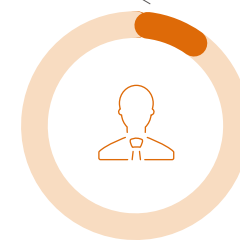
Percentage of employees from minority groups and disadvantaged group

0.1%



Proportion of non-Chinese Mainland employees

15.07%



Percentage of women in senior positions

13.81%



Employee Diversity Performance at Fuyao Glass in 2024

Fuyao Glass attaches importance to human rights investigations and assessments, regularly conducts training sessions and reviews on anti-discrimination practices and human rights violations, and is committed to fostering an equitable and inclusive workplace environment. As of the end of the reporting period, 95.24% of the Company's workplaces had implemented human rights protection initiatives, 80.95% had conducted human rights reviews, and 62.91% of employees had participated in anti-discrimination and anti-human rights violation actions.

The proportion of workplaces had implemented human rights protection initiatives

95.24%

The proportion of workplaces had conducted human rights reviews

80.95%

The proportion of employees had participated in anti-discrimination and anti-human rights violation training

62.91%

## Employee Communication

Fuyao Glass demonstrates a commitment to employee rights, upholding freedom of association and collective bargaining. The Company, adhering to national laws and regulations, has established formal frameworks such as the *Regulations of Representative Congress for Employees*, and the *Regulations of Representative Congress for the Trade Union* to foster active employee participation in democratic decision-making, management, and oversight. In 2024, the Company convened the Representative Congress, where elected representatives ratified the collective agreement, reviewed and approved the Company's work report, and adopted 13 institutional documents. That year, the collective agreement covered 64.77% of employees. To ensure employee input, the Company solicits proposals prior to the congresses, and the outcomes of these proposals, along with subsequent actions, are reported to staff representatives.

The proportion of our employees covered by the collective bargaining agreement

64.77%



Staff representatives of the Employee Council of Fuyao Glass voted by a show of hands



Fuyao Glass actively engages with its employees by establishing flexible and effective communication channels that encourage them to express their opinions and needs fully.

#### Complaints and reporting

- Fuyao Glass facilitates employee reporting through various channels, including the Human Resources Management Center, the audit department, and the Trade Union. All reports are subject to investigation and feedback within ten business days.
- To ensure confidentiality, the Company accepts anonymous reports and maintains strict safeguards to prevent retaliation or discrimination.

#### Voice from Employees

- The Company actively solicits employee's inputs and then gives feedback through ongoing activities; in 2024, there were 535 employee suggestions received and addressed within an average of 3.4 days.

#### general manager meetings

- The Group and its subsidiaries conducted general manager meetings to facilitate direct dialogue and enable management to gain a more comprehensive understanding of employee concerns. A total of 113 meetings were held in 2024, with 3,293 participants.

#### employee satisfaction survey

- An annual employee satisfaction survey conducted informed the development of targeted improvement measures, resulting in a group-wide employee satisfaction rate of 92.32%.

Communication Channels for Employees at Fuyao Glass

## Employee Activities

Fuyao Glass actively holds a diverse range of engaging activities for employees to create a warm and harmonious working environment. The Company allocates funding for each department to facilitate team-building initiatives. Additionally, to enrich employees' leisure time, Fuyao Glass has established facilities such as libraries, gyms, and basketball courts. Regular events, including birthday celebrations, sports meets, and garden parties, are organized to enhance employees' sense of happiness and belonging.



New Year Activity at Fuyao Glass



Themed Activity on Arbor Day

### Exploring the world of glass on Family Experience Day

In August 2024, Hubei Automobile Glass hosted an open day, inviting 14 families for an in-depth tour of the factory. During the event, engaging glass experiments were conducted, allowing children to closely explore the properties of toughened and laminated glass. Professionals provided explanations and operational demonstrations, making the experience both enjoyable and educational. This initiative helped children understand their parents' work while fostering communication and interaction between parents and their children.



Open day at Fuyao's Automobile Glass Factory



Lawn Concert



Garden Party in Summer



"Oxygen Bar" Mental Health Counseling



Outdoor Team-Building Activity



## Employee Benefits

Fuyao Glass has established the *Employee Benefits Management System*, encompassing both statutory benefits, such as pensions, and supplementary benefits including commercial insurance, paid leave, company-provided housing, health check-ups, holiday gifts, and various subsidies. This system extends to all personnel, including re-hired retirees, interns, and temporary hires, aiming to enhance employee well-being and promote talent acquisition and retention. Demonstrating a commitment to supporting employees facing hardship, the Company has implemented the Employee Relief Management Regulations, creating a robust assistance program and dedicated support channel. During the reporting period, this program provided 2.31 million in aid to 21 employees.

### Humanistic Fuyao brings happiness to employees

In May 2024, Fuyao Glass expanded its commitment to employee well-being with the opening of the Fuyao Intelligence Garden and Employee Activity Center, further solidifying the principles of Humanistic Fuyao. The complex encompasses 43,000 square meters and provides 1,588 furnished housing units equipped with an intelligent property management system. Complementing the residential facilities is a 5,000-square-meter Employee Activity Center, which integrates amenities such as supermarkets and restaurants to comprehensively address the daily needs of employees and support Fuyao's vision of fostering an environment where employees can reside, work, and develop



The opening of the Fuyao Intelligence Garden

Fuyao Glass places a strong emphasis on the well-being of its female employees by actively organizing activities designed specifically for them. The Company has implemented protective measures for female employees during pregnancy and breastfeeding, including a prohibition on night shift work, one hour of breastfeeding leave per day, free cancer screenings, and the establishment of a mother and baby room. These initiatives collectively ensure comprehensive support and care for female employees.

### Celebrating Women's Day in March

In March 2024, Fuyao Glass organized a women's activities that included gift distribution, handmade DIY activities, and engaging team-building exercises. During the micro-landscape creation session, female employees collaborated creatively, using tools to craft their own works. During the lively outdoor team-building activities, games and interactive experiences helped enhance communication among employees. The activities not only helped female employees relax both physically and mentally but also strengthened team cohesion within the Company.



Fuyao Glass organized women's activities



## Supporting Employee Development

Fuyao Glass is dedicated to establishing a talent development system that aligns with the Company's global growth. The Company focuses on creating an employee training system and refining development channels to ensure that employees can realize their self-worth in a fair and open environment.

## Salary and Performance

Based on the principles of "position, performance, and ability," Fuyao Glass has established a competitive compensation system aimed at attracting and retaining exceptional talent. The Company has developed the *Remuneration Management Regulations* and the *Employee Performance Management Regulations* to provide all employees with a salary structure that includes a fixed salary, allowance, performance bonus and overtime pay. In 2024, the Company introduced the *Regulations on Special Incentive Management for Automobile Glass Technology* to incentivize outstanding core talents and promote the implementation of a benefit-sharing mechanism.

The Company has established a comprehensive performance appraisal mechanism that encompasses all employees and operates on an annual and quarterly appraisal cycle. This mechanism employs a multi-dimensional, goal-oriented assessment model that combines organizational strategy with individual goals to produce performance appraisal outcomes. Employees who have objections to their performance evaluation results are encouraged to provide feedback to both their supervisor and the HR department. Furthermore, the Company employs the PDCA (Plan-Do-Check-Act) performance management model, which necessitates the involvement of both supervisors and employees in the formulation of performance objectives, performance counseling communication and performance appraisal counseling. This collaborative approach helps employees clarify their personal development plans and effectively implant them into their daily work activities.

## Employee Promotion

Fuyao Glass attaches importance to the value generated from employee creativity and has established the *Management Regulations on Grade Review* and the *Management Regulations on Cadres* to provide comprehensive support for employee development and fuel mutual growth between the Group and its employees.

### Clear talent standard

- The Group has organized and established a talent standard library, which specifies the requirements for various levels of competence and core contributions, thereby providing direction and standards for employee skill enhancement and value creation.
- Employees have been evaluated based on moral character, value contribution, competence, and experience, in pursuit of building a sustainable talent promotion system.

### Defined career pathway

- Multi-channel career development paths have been created, featuring well-defined management, functional, and operational grade pathways along with corresponding standards.
- A regulated, standardized and normalized grade review mechanism has been implemented, resulting in 10,326 employee promotions over the past three years.

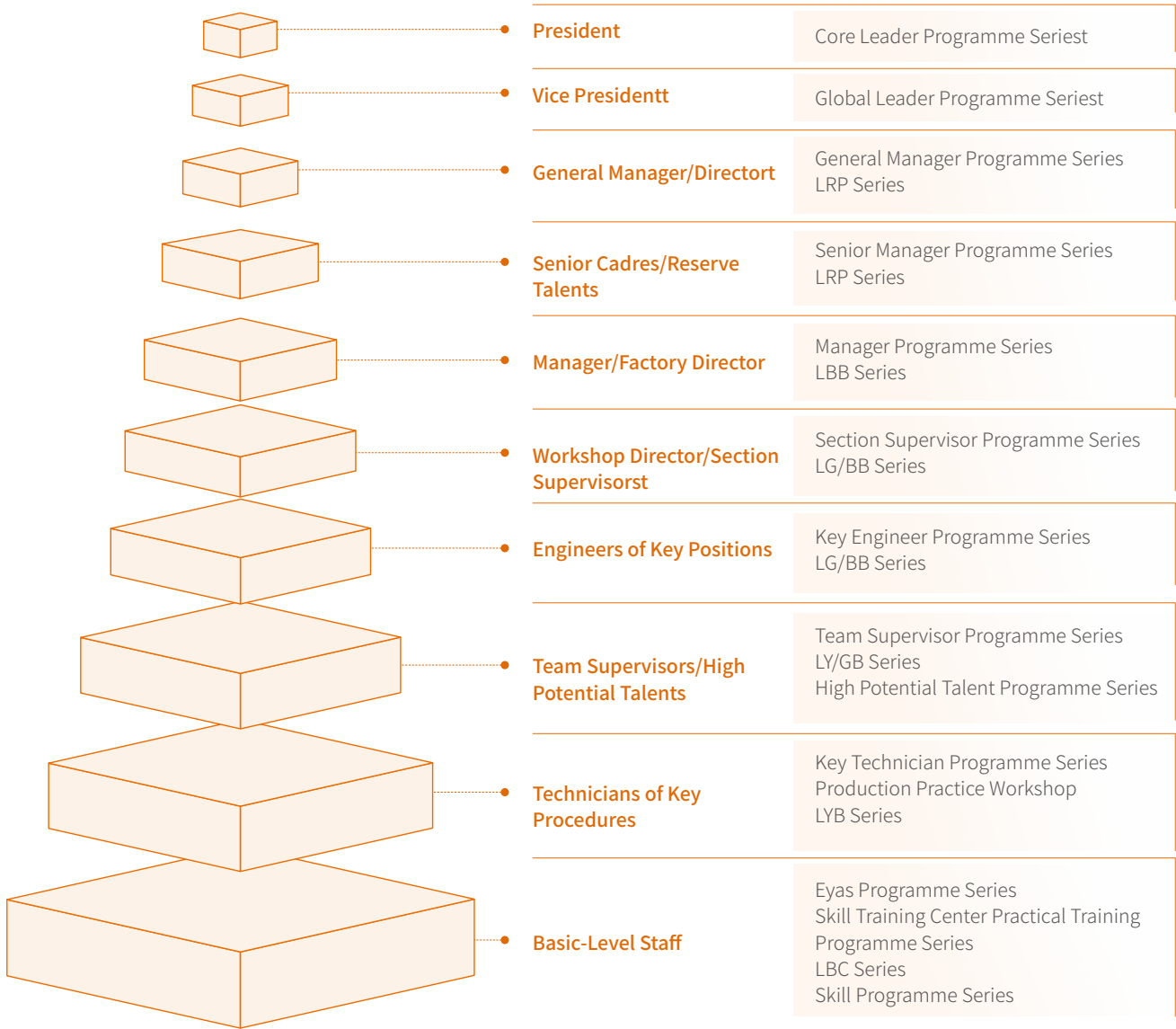
### Robust reserve talent pool

- The Company employs diverse strategies to select and cultivate management reserves and establishes leadership quality models for middle and senior management at Fuyao. Employees are incorporated into the reserve cadre cultivation plan through regular talent inventories, performance evaluations, and potential assessments.
- Customized training programs for trainees include theoretical training, job rotation, acting as a deputy, and project practice, which aim to enhance leadership capabilities. Over the past three years, the cultivation and promotion rate for middle-level reserve cadres has reached 67%, while that for high-level cadres stands at 78%, thereby providing a strong talent pool for the Group's development.

Employee Development System at Fuyao Glass

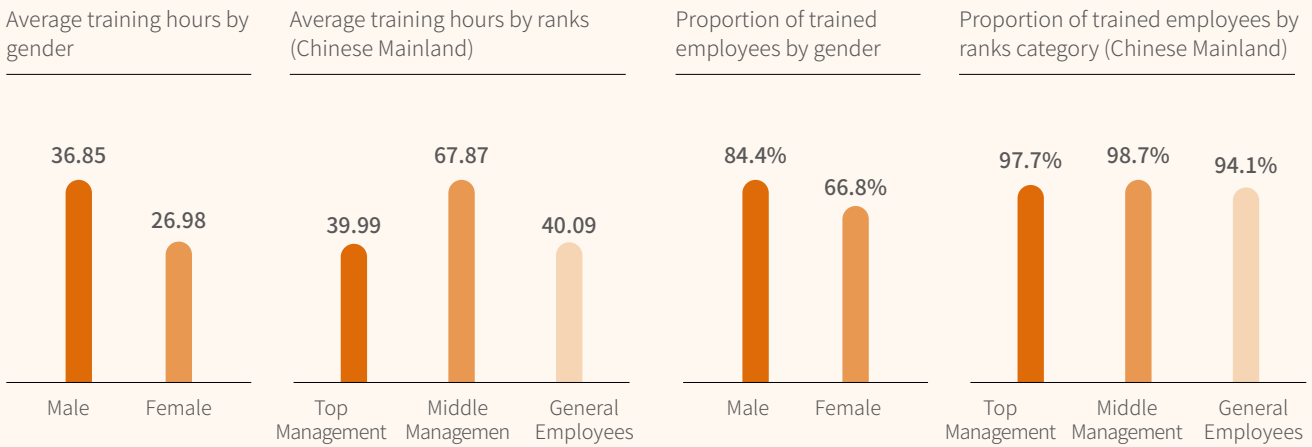
## Employee Training

Fuyao Glass is dedicated to offering all employees opportunities for growth and upskilling. The Company has established the Fuyao Group Talent Training System, which implements targeted training programs tailored for employees at various levels and functions. Furthermore, the Company continually optimizes training resources to support the sustainable development of the enterprise.



Talent Training System at Fuyao Glass

In its commitment to employee development, Fuyao Glass has established the Fuyao Management Academy, which offers targeted training programs specifically designed for professional and technical talent as well as management cadres, emphasizing both business and management orientations. The Academy integrates internal and external training to ensure that the learning content is closely aligned with actual work requirements. The Company has continued to enhance its training system, launching the digital learning platform "Yaoxue" to provide employees with a more accessible learning experience. In 2024, the platform demonstrated remarkable effectiveness, featuring 3,808 courses across 15 business zones and accumulating a total of 1,458,000 hours of learning throughout the year. Additionally, more than 1,240,000 employees participated in the training, achieving a learning pass rate of 94.83%. This high pass rate underscores the strong talent foundation supporting the Group's development. In 2024, the Company invested 15.41 million yuan in employee training.



Training of Employees at Fuyao Glass in 2024

### Enhancing the curriculum system through teacher development

In 2024, Fuyao Glass addressed the Group's talent cultivation needs by strengthening the multi-dimensional development of its teaching team. The Company implemented several initiatives, including the Dandelion Plan, which focused on internal trainer training, ultimately resulting in the cultivation of 218 internal lecturers and the development of 167 courses. These courses encompassed job-related knowledge and skills, as well as modules on finance, information technology, and other relevant topics to facilitate the transfer and continuity of the Company's best expertise.



Fuyao Glass Internal Trainer Training Camp in Dandelion Program

### Promoting learning through competition and empowering talent development through skill contests

In 2024, Fuyao Glass organized the second "Craftsmanship Cup" Employee Skill Competition. Aimed at promoting team-building, learning, and training through competition, the event saw enthusiastic participation from all companies within the Group. Employees were selected to compete in contests focused on critical processes, integrating both theoretical knowledge and practical application. The competition resulted in the compilation of over 300 documented process experiences and the identification of more than 50 on-site improvement points, thereby enhancing organizational quality and operational efficiency.



The second "Craftsmanship Cup" Employee Skill Competition



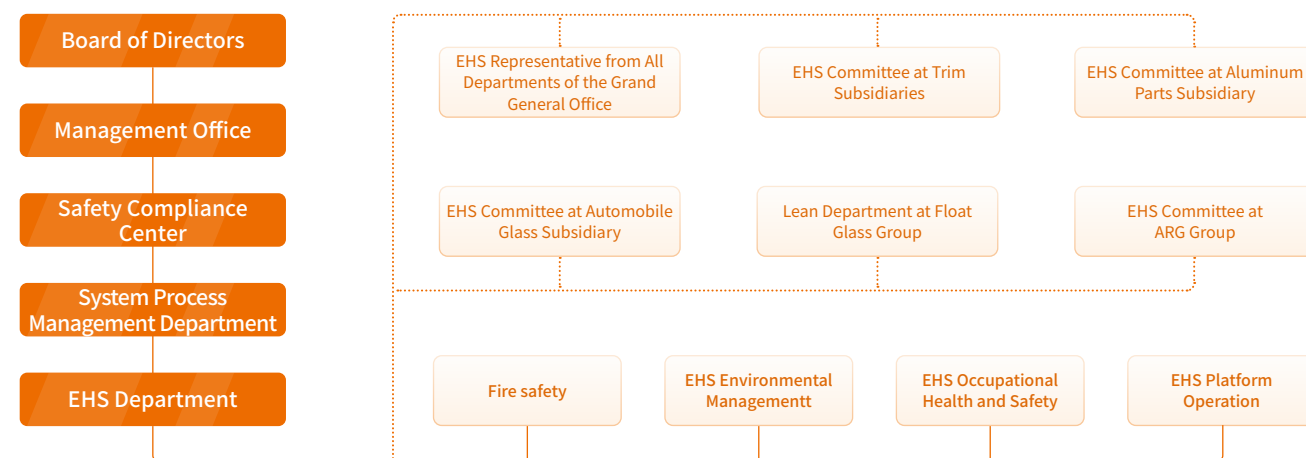
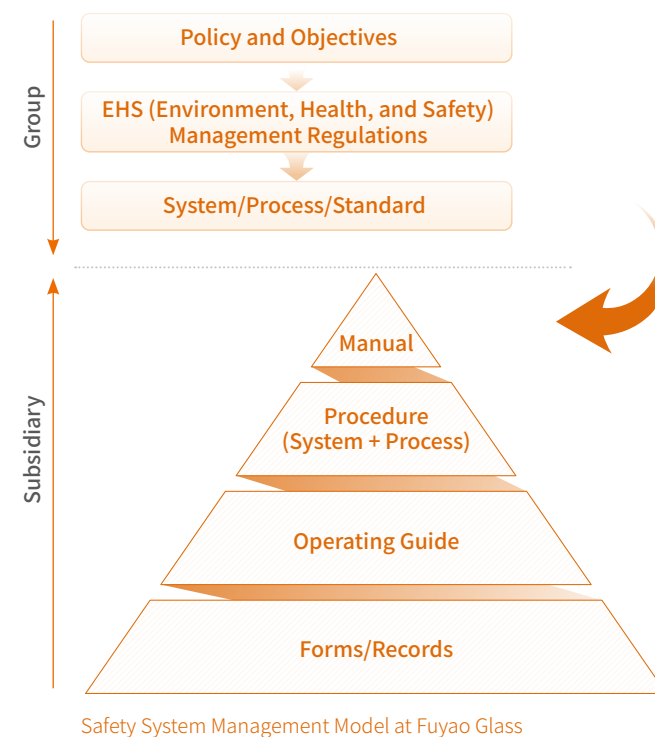
## Ensuring Health and Safety

Fuyao Glass recognizes that ensuring the health and safety of employees is the foundation for enhancing employee well-being, increasing productivity, and fostering creativity. The Company adheres to the production philosophy of "Safety First" and has established a comprehensive safety management mechanism. It actively implements annual health and safety management targets, conducts ongoing safety training and activities, and strengthens safety awareness, creating a healthy and safe working environment for employees.

### Safety Management System

Fuyao Glass strictly complies with laws and regulations such as the *Workplace Safety Law of the People's Republic of China*, the *Occupational Disease Prevention Law of the People's Republic of China*, and *Regulations on the Safety Management of Dangerous Chemicals*. The Company has established a four-module health and safety mechanism, including "source management, process control, emergency management, and management improvement". It has also developed the *Safety, Health, and Environmental Management Regulations* and revised the *Safety, Health, and Environmental 'Three Simultaneities' Management Regulations* and *Safety, Health, and Environmental Risk Classification and Hazard Elimination Management Regulations* to implement management responsibilities through system innovation and enhance safety management levels and capabilities.

Fuyao Glass places great importance on health and safety management. At the company level, a Safety Compliance Center has been established, which is responsible for building the environment, health, and safety (EHS) management system and supervising the construction of management systems in each subsidiary. The Company has also formed a Workplace Safety Committee, which, through the Group and subsidiary levels, has established an EHS main responsibility network. The EHS department and subsidiaries hold regular monthly meetings, requiring the participation of the general managers and heads of each company to deploy management priorities and matters needing attention.



Safety Management Structure at Fuyao Glass

To ensure the safety of the production environment, Fuyao Glass regularly conducts safety, health, and environmental inspections and internal and external audits. The audit content includes key indicators such as management systems, targets, information communication, emergency preparedness and response, etc. The Company annually undergoes at least one external independent third-party and client audit covering all its subsidiaries to supervise the implementation of its health and safety policies and promptly correct any potential safety hazards, ensuring production safety. Fuyao Glass encourages its subsidiaries to establish safety systems and obtain relevant certifications, improving the operating level of the safety management system.

During the reporting period

22

Fuyao Glass manufacturing organizations have obtained ISO 45001:2018 certification

with a coverage rate of

81.5%

### Workplace Safety Measures

Fuyao Glass upholds the principle of "Safety First" and has established a workplace safety responsibility system, with responsibilities gradually implemented at all levels. The Company has set short-term, medium-term, and long-term targets for the injury rate per thousand employees and has included relevant indicators in its performance evaluation standards. In the evaluation, the Company assigns 50 points to safety indicators such as work-related injuries and fire safety, and includes indicators such as injury rate per thousand employees and minor accidents in the additional scoring items, comprehensively improving safety management performance.

Fuyao Glass prioritizes prevention, aiming to prevent accidents from occurring. The Company regularly conducts risk and hazard source identification, investigation, and assessment, and develops corresponding prevention plans based on the risk level. Fuyao Glass actively carries out monthly comprehensive safety checks, behavioral safety checks, and daily safety inspections to eliminate safety hazards. During the reporting period, the Company organized 12 monthly safety special rectification activities, identified 1,829 safety hazards, and conducted a group-level special investigation and governance on key issues that are prone to accidents, reducing safety risks. In 2024, the Company invested 21.67 million yuan in safety insurance.

Performance	Unit	2022	2023	2024
Number of work-related deaths	people	0	0	0
Injury rate per thousand employees	%	3.74	4.08	3.57
Number of hours lost due to work-related injuries	hour	63,688	70,412	73,675

Workplace Safety Performance at Fuyao Glass

During the reporting period

the Company organized monthly safety special rectification activities

12 times

identified safety hazards

1,829

In 2024

in safety insurance the Company invested

21.67 million yuan



## Safety Culture Development

Fuyao Glass is committed to instilling safety concepts in every employee. The Company strictly adheres to regulations such as the *Provisions on Safety Training of Production and Operation Units* and has developed internal systems like the *Management Regulations on EHS Training and Skills*. It ensures that employees have a high level of safety skills through comprehensive occupational health and safety training and assessments, which provides robust support for the Company's workplace safety. In 2024, the Company had 366,714 participants in workplace safety and occupational health-related training, totaling 266,916.42 hours.

### Online Platform

Fuyao Glass leverages the "Yaoxue" platform, which offers online courses covering laws and regulations, management knowledge, operational skills, and accident case studies. Over 160,000 employees have taken online courses.

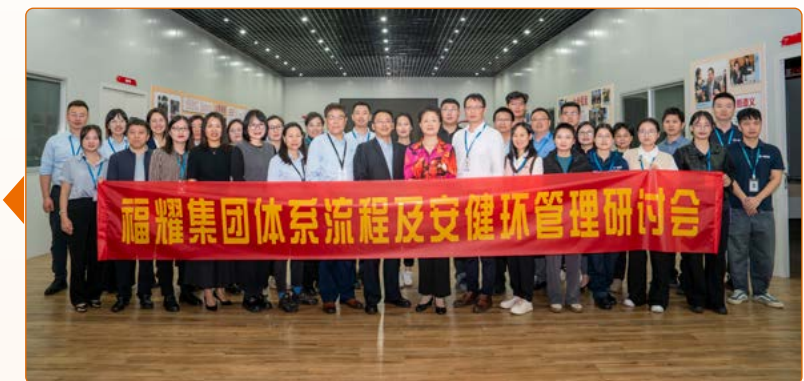
The platform has launched EHS personnel assessments, promoting learning through assessment. In 2024, the pass rate for the assessment was 98%, with an average score of 94.38.

序	课程编号	课程名称	累计学习完成人数	累计学习完成次数
1	ZZQZ133	消防安全管理规定	18612	18618
2	ZZQZ134	安健环管理规定	17971	17984
3	ZZQZ135	安健环风险分级管控与隐患排查治理管理规定	17693	17701
4	ZZQZ137	安健环“三同时”管理程序	18817	18829
5	ZZQZ139	员工安健环行为规范条例	19730	19747
6	ZZQZ220	安健环管理经验分享—湖北	16152	16165
7	ZZQZ400	安健环事故管理流程	14496	14496
8	ZZQZ402	环境与资源保护管理规定	14774	14774
9	ZZQZ459	安健环合规性评价流程	13595	13595

Safety Training Content on "Yaoxue" Platform

### Safety Research Seminars

Fuyao Glass has established a "preventive" safety management system, providing employees with opportunities to offer suggestions and ideas through safety management seminars. The Company discusses and analyzes the difficulties in its safety and health management work, clarifying safety management responsibilities and improving safety management levels.



The Company Conducts Safety Management Research Seminars

### Safety Guidance

Fuyao Glass conducts safety education and guidance, analyzing and summarizing accidents and implementing rectification measures. In 2024, the Company held 19 safety analysis special topic meetings, 9 monthly guidance meetings, and 5 specialized investigations and guidance sessions in individual subsidiaries, promoting exchange between the Group and its subsidiaries to jointly enhance safety management awareness.



The Company Conducts Safety Specialized Guidance

### Safety Activities

Fuyao Glass actively organizes workplace safety activities around the theme of "Everyone Talks Safety, Everyone Knows Emergency Response – Ensure Safe Evacuation" during National Workplace Safety Month, which focuses on "Strengthening Awareness, Full Participation, and Standardized Management", widely promoting a safety culture. In 2024, the Company conducted lectures on legal regulations, safety concepts, and safety risk management to enhance the safety atmosphere and create a more comfortable and safe working environment for employees.



Workplace Safety Month Activities at The Company



Fuyao Glass has developed the *Emergency Management Regulations* to standardize emergency system management, ensuring that it can respond quickly and orderly in the event of an emergency. In 2024, the Company organized comprehensive safety drills for all employees, including fire emergency escape drills, electrical shock emergency drills, mechanical injury drills, flood emergency drills, and food poisoning emergency drills. As of the end of the reporting period, the Company had conducted 133 comprehensive and special safety drills, and 953 on-site emergency response plan drills, aiming to enhance employees' vigilance against sudden event risks and emergency handling capabilities, ensuring production safety and the health and safety of employees.

#### As of the end of the reporting period

the Company had conducted comprehensive and special safety drills

133 times

on-site emergency response plan drills

953 times

#### Fuyao Glass Conducts Fire Drill Overseas

On September 14th, Fuyao FYE conducted a comprehensive fire drill hosted by the local fire department in Germany in Germany, in which 27 firefighters provided professional guidance. The drill encompasses the entire process—from simulating a fire alarm to executing an emergency evacuation, thereby enhancing employees' emergency response skills and evaluating the effectiveness of the company's emergency response mechanisms.



Fuyao FYE conducted fire drills

## Employee Occupational Health

Fuyao Glass strictly complies 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*, and has developed internal documents like the *Regulations on Occupational Health Management*. With the principle of "prevention first, prevention and treatment combined", the Company establishes and maintains a risk-controlled, safe and healthy working environment, ensuring employee occupational safety. In 2024, the Company arranged occupational health check-ups for employees exposed to occupational disease hazards and did not discover any suspected or confirmed cases of occupational diseases, achieving the goal of zero occupational disease events.

In 2024, Fuyao Glass achieved

100%

coverage of its main business locations for employee health and safety risk assessments



- Implement the "Three Simultaneities" (simultaneous design, construction, and operation of occupational safety and health facilities with the main project) as the starting point, creating a work environment and conditions that meet national occupational health standards and requirements for employees;

- Appointed a third party to evaluate the current status of occupational disease hazards of the Company, conduct annual testing of occupational disease hazards and issue a "Report on the Evaluation of the Current Status of Occupational Disease Hazards", as well as install workplace safety equipment and carry out overhauling and maintenance on a regular basis;

- Set up bulletin boards to publicize regulations, operating procedures, emergency rescue measures, and results of occupational disease hazard factor testing, etc in prominent locations. Place warning signs and safety information cards at the entrances of work areas and near high-risk workstations and equipment to remind employees to take precautions;

- Develop the *Management of Labor Protection*, clearly stating the configuration standards for labor protection supplies, and provide all relevant employees with protective workwear, safety helmets, dust-proof masks, and other labor protection items. Conduct related training on the use of labor protection supplies;

- Establish employee occupational health records, conduct pre-employment, in-service, post-employment, and emergency occupational health checks based on the list of occupational disease hazard factors for each position, and provide comprehensive health protection;

- Conduct regular health check-ups, offering employees personalized health advice, necessary health guidance, and occupational disease prevention measures.

#### Occupational Health Management Measures at Fuyao Glass





# 05

## Going Green

### And Becoming a Safeguard of the Global Ecological Environment

Fuyao Glass is committed to green development, focusing on ecological protection, and dedicated to reducing the impact of its production and operations on the environment. The Company, with a foundation of green production management, continuously deepens its sustainable development path through product innovation and technological transformation. It strengthens the development of its environmental management system, implements low-carbon and emission reduction strategies, actively takes measures to address climate change, and invests in the development of green products, comprehensively and multidimensionally practicing its corporate environmental responsibilities.

#### SDGs Responded



#### Major Annual Progress

The total installed capacity of distributed photovoltaic systems reached

130.8MWp

and the power generation capacity is

229,054.30MWh

Conducted environmental risk assessments at all

27

a total of factories have been certified as green factories

17

Manufacturing organizations obtained ISO 14001:2015 environmental management system certification

25

with a coverage rate

92.6%



Strengthening Environmental Management

Fuyao Glass places high importance on environmental management, strictly implementing relevant environmental protection laws and regulations, and continuously improving its environmental management system. The Company regularly conducts environmental impact assessments, identifies and controls environmental risks, strengthens the management of emissions and waste, and systemically enhances its environmental management level, striving to reduce the impact of its operations on the environment.

## System Construction

Fuyao Glass strictly complies with laws and regulations such as 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*, and the *Law of the People's Republic of China on the Prevention and Control of Soil Pollution*. The Company, following the principle of "all employees participate, scientific management", developed and released a series of regulations and procedures, including the *EHS Management Regulations*, *EHS Risk Classification and Hidden Dangers Inspection and Management Regulations*, *Environmental and Resource Protection Management Regulations*, and *EHS Compliance Evaluation Flowchart*, further clarifying environmental management responsibilities, enhancing the Company's overall environmental management level, and ensuring the normalization and transparency of environmental management requirements and measures.

Fuyao Glass has established a group-level environmental management system and requires all subsidiaries to establish their own

environmental management systems based on their specific situations. In the Group's environmental management system, the System Process Management Department is the main responsible department for environmental management, responsible for establishing, implementing, supervising, and optimizing environmental management systems, formulating the Group's overall environmental management policies, goals, and indicators, and assigning them to various functional departments and subsidiaries to monitor their implementation. Each subsidiary has an EHS management department, which organizes and carries out environmental management-related work according to the Group's requirements. The System Process Management Department and each subsidiary implement environmental management measures from the Group and subsidiary levels, respectively, covering four aspects: planning, implementation, review, and improvement, fully implementing the Company's environmental management strategy. At the same time, the Company includes environmental protection performance in the annual performance evaluation of each subsidiary and considers environmental management performance as an important factor in the selection of cadres, salary adjustments, and bonus distribution plans, ensuring that responsibilities are assigned to responsible people, rewards and punishments are fair, and environmental management work is effectively implemented.

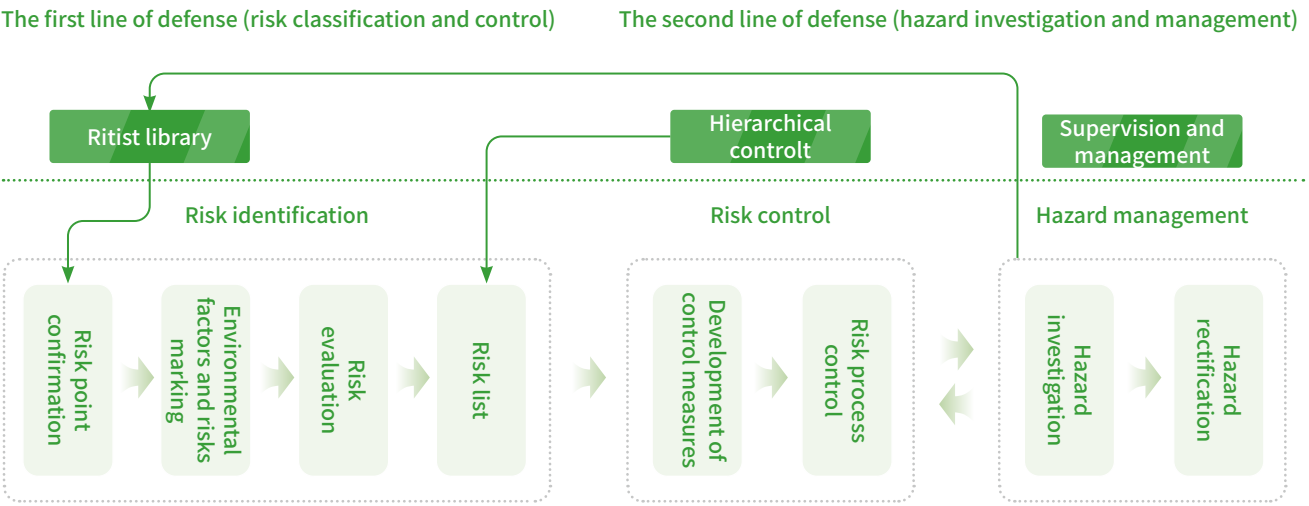
Group System Process Management Department	All Subsidiaries
<div>Plan-ning</div> <ul style="list-style-type: none"><li>Formulate environmental management guidelines and policies, medium and long-term plans and annual goals and targets according to Group strategy</li></ul>	<ul style="list-style-type: none"><li>Develop environmental management annual targets and implementation plans based on the actual situation of the operating location and the Group's requirements</li></ul>
<div>Imple-menta-tion</div> <ul style="list-style-type: none"><li>Organize the collection and identification of requirements from environmental laws, regulations, and standards, and supervise their implementation in specific business areas</li><li>Thoroughly identify emerging environmental risks and develop control measures</li></ul>	<ul style="list-style-type: none"><li>Establish and improve the environmental management system</li><li>Conduct environmental impact assessments for new, renovation, and expansion projects</li><li>Ensure compliance with laws and regulations in pollution prevention and control</li><li>Prepare for, respond to, and recover from sudden environmental events</li></ul>
<div>Review</div> <ul style="list-style-type: none"><li>Monitor the progress of the Group's overall environmental management work</li><li>Regularly collect, analyze, and summarize environmental issues and cases from various functional departments and subsidiaries</li></ul>	<ul style="list-style-type: none"><li>Regularly organize environmental compliance evaluations</li><li>Convene EHS meetings to track the completion of the Company's environmental management work</li><li>Collect and compile key environmental data</li></ul>
<div>Im-prove-ment</div> <ul style="list-style-type: none"><li>Analyze gaps in environmental management, promote systemic improvements, and optimize environmental management systems and processes simultaneously</li></ul>	<ul style="list-style-type: none"><li>Analyze environmental data, identify environmental management issues, develop improvement measures, and monitor their implementation</li></ul>

Environmental Management System Implementation Measures at Fuyao Glass

To further ensure the effectiveness of the Company's environmental management system, Fuyao Glass regularly conducts environmental management system certification while continuously improving its internal management level. In 2024, 25 manufacturing organizations obtained ISO 14001:2015 Environmental Management System certification, with a coverage rate of 92.6%. At the same time, the Company responded to the national call by actively constructing and applying for green factories and green mines. During the reporting period, a total of 17 factories obtained green factory certification, and 2 mines were included in the local-level green mine directory.

## Risk Prevention and Control

Fuyao Glass emphasizes environmental risk prevention and control, strictly complying with laws and regulations such as the *Environmental Impact Assessment Law of the People's Republic of China*, *Notice of Issuing the Interim Procedures for Emergency Plan for Environmental Emergencies*, and *State Emergency Plan for Environmental Accidents*. The Company has developed and released internal systems and forms, including the *EHS Risk Management and Hidden Dangers Inspection and Management Regulations*, *Emergency Response Plan for Sudden Environmental Events*, *Environmental Factor Identification and Evaluation Form*, and *List of Important Environmental Factors*. Each year, the Company identifies and evaluates environmental factors, determines their risk levels, and takes corresponding control measures. It regularly inspects potential problems that may cause negative environmental impacts, carries out hidden danger rectification, and forms a dual prevention mechanism, striving to achieve "early detection, early reporting, and early response".



Dual Environmental Risk Prevention Mechanism at Fuyao Glass

Conducted environmental risk assessments at all achieving coverage

27

100%

of its main business locations

Fuyao Glass is committed to continuously improving its emergency response mechanism for environmental pollution events, standardizing emergency management work, and establishing environmental emergency response principles. The Company has developed corresponding emergency response procedures and methods for various types of environmental emergencies, such as wastewater discharge accidents, hazardous chemical leaks, and power outages that affect environmental protection equipment, so as to ensure that timely and effective responses are made to the environmental emergencies. After an emergency, the Company clearly defines the process for emergency termination and subsequent handling, ensuring that emergency recovery work is completed properly. During the reporting period, the Company conducted multiple emergency response drills and awareness training sessions to enhance employees' emergency response capabilities and handling levels.

## Fuyao Aluminum Parts's emergency response to environmental incidents

### People first, environment first

- Adhere to the principle of "saving people first and environment first" when people's lives and health are threatened, so as to maximize the protection of the health and safety of the company's staff and the surrounding people, and to give priority to saving the environment over saving property.

### Initial response, prevent further harm

- Take rapid and effective pre-emptive measures to eliminate or reduce the impact of environmental emergencies as far as possible after the occurrence of environmental emergencies.

### Rapid response, scientific response

- Strengthen the coordination and cooperation between various departments of the enterprise, improve the ability of rapid response, conduct pilot classification management according to the characteristics of environmental pollution caused by different sources of risk, take full use of the professional expertise of the department, so as to make the measures taken compatible with the scope of hazards caused by environmental emergencies and the social impact.

### Emergency work and job responsibilities are combined

- Actively conduct mindset preparedness, material preparedness, technical preparedness, and work preparedness to respond to environmental emergencies, strengthen the training exercises, and make full use of the existing professional environmental emergency rescue forces.

## Fuyao Aluminum Parts conducts hazardous chemical spill response drill

In June 2024, Fuyao Aluminum Parts conducted a hazardous chemical spill response drill at the Company's external transport corridor. The drill simulated a situation where chemicals emptied out and were accidentally spilled during transportation, and the responsible personnel and the hazardous waste disposal emergency team followed the Company's hazardous chemical spill emergency response flowchart to carry out professional handling. They promptly cleaned up the spilled harmful liquids, effectively preventing further pollution. This drill verified the feasibility and effectiveness of the Company's emergency response flowchart for sudden accidents, improved the emergency response management level of relevant units, and enhanced the practical skills of related personnel.



Emergency Response Drill



## Pollution Control

Fuyao Glass adheres to the concept of green operation, strictly complying with national and local environmental protection regulations. The Company strengthens the prevention, monitoring, and control of pollution from wastewater, exhaust gas, solid waste, and noise, thus reducing pollution at the source. It regularly inspects and monitors major pollutants and their treatment facilities to ensure the effectiveness and compliance of the pollution treatment system, striving to minimize the impact of its production operations on the environment. The Company has set targets for wastewater and exhaust gas discharge and continuously tracks progress toward these targets. During the reporting period, the Company achieved 100% compliance with wastewater and exhaust gas discharge standards, and 100% compliance with hazardous waste disposal; the Company did not experience any negative environmental incidents.

### Automobile Glass

- Reduce wastewater discharge per square meter of product by 30% from the 2019 baseline by 2030
- Reduce hazardous waste discharge per square meter of product by 20% from the 2019 baseline by 2030

### Float Glass


- Reduce wastewater discharge per ton of product by 30% from the 2019 baseline by 2030
- Reduce hazardous waste discharge per ton of product by 20% from the 2019 baseline by 2030

### Waste Discharge Targets

		Automobile Glass			Float Glass		
		2024	2023	2022	2024	2023	2022
Wastewater	Wastewater discharge (10,000 tonnes)	533.62	411.30	349.85	17.27	8.35	12.81
	Chemical oxygen demand (tonnes)	219.19	134.45	99.14	18.92	2.03	3.30
	Ammonia nitrogen (tonnes)	13.68	9.31	17.55	0.19	0.33	0.09
	Suspended solids (tonnes)	153.31	85.51	57.68	2.56	1.02	2.60
Exhaust gas	Sulfur dioxide (tonnes)	0.06	0.09	0.09	154.46	466.81	748.93
	Nitrogen oxides (tonnes)	1.42	1.50	1.21	725.16	1,243.66	1,515.99
	Particulate matter (tonnes)	10.66	13.11	1.22	26.06	58.67	69.60
Solid waste	Hazardous waste emissions (tonnes)	4,277.06	2,414.13	1,949.28	73.75	166.98	51.93
	Hazardous waste emission density	0.13 tonnes/10,000 m <sup>2</sup> of product	0.06 tonnes/10,000 m <sup>2</sup> of product	0.08 tonnes/10,000 m <sup>2</sup> of product	0.23 tonnes/10,000 tonnes of product	0.56 tonnes/10,000 tonnes of product	0.17 tonnes/10,000 tonnes of product
	Emission of non-hazardous waste (tonnes)	364,921.70	323,845.39	245,133.85	4,992.90	2,681.16	2,676.51
	Density of non-hazardous waste emission	10.70 tonnes/10,000 m <sup>2</sup> of product	8.65 tonnes/10,000 m <sup>2</sup> of product	10.51 tonnes/10,000 m <sup>2</sup> of product	15.51 tonnes/10,000 tonnes of product	8.97 tonnes/10,000 tonnes of product	8.56 tonnes/10,000 tonnes of product

### Pollutant Management in 2022-2024 (Chinese mainland)

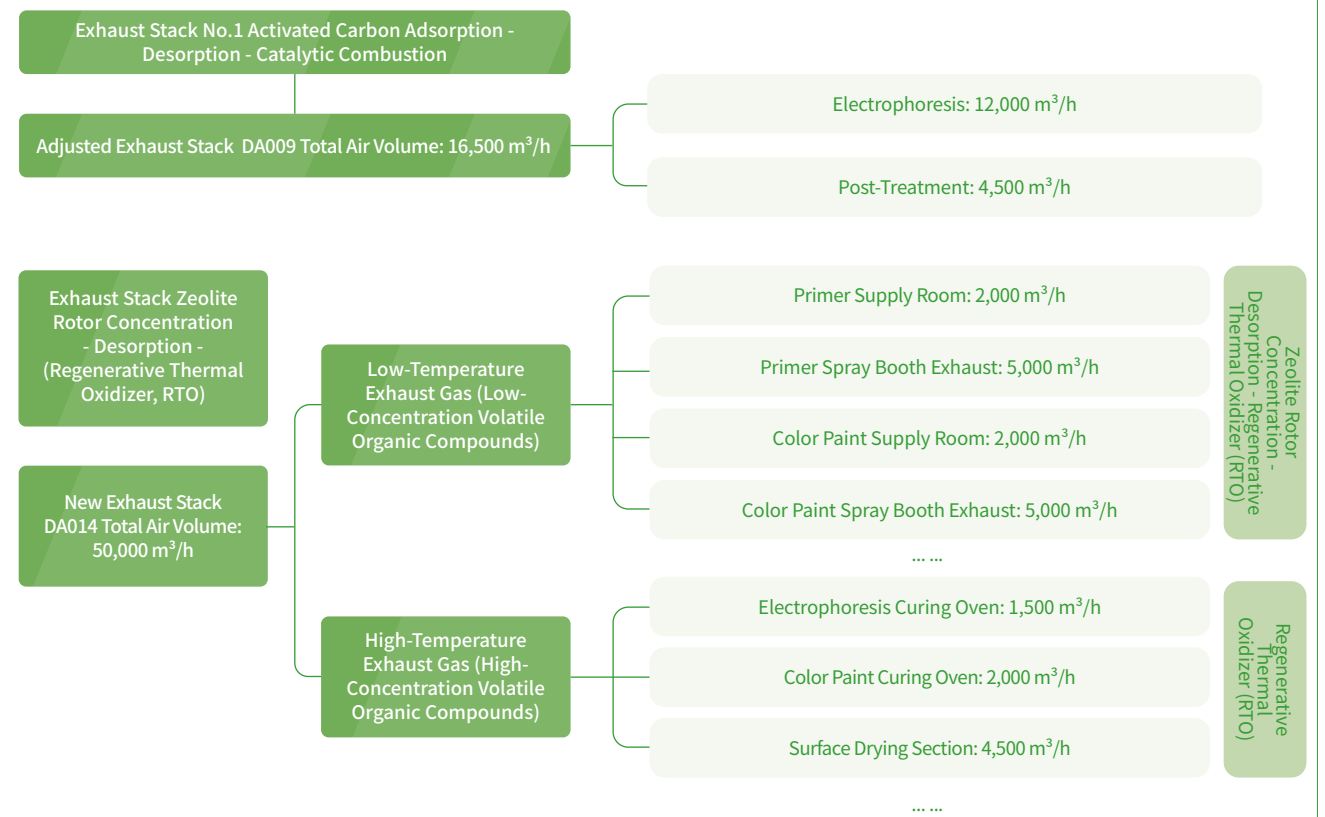


Type	Source	Management Measures
<div>Wastewater Management</div> <div></div>	<div>■ Wastewater from production processes, initial rainwater, and domestic sewage</div>	<div>■ Wastewater treatment equipment should be concurrently designed, constructed, and put into production alongside production equipment</div> <div>■ The wastewater generated by each post is discharged into the reclaimed water reuse and treatment facility of each process through the sewage pipeline. After centralized 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</div> <div>■ Implement real-time monitoring of water quality, actively develop and improve water recycling technology, and immediately suspend production if wastewater discharge anomalies occur</div> <div>■ Timely manage, maintain, and inspect wastewater treatment facilities, and make records</div> <div>■ 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</div> <div>■ Strictly implement rainwater and sewage separation</div> <div>■ During the reporting period, the Company achieved a 100% compliance rate for wastewater discharge</div>
<div>Exhaust Gas Management</div> <div></div>	<div>■ Organic exhaust gas generated from the deep processing of glass, such as printing and drying</div> <div>■ Oil fume and waste gas from the canteen</div>	<div>■ Waste gas treatment equipment and production equipment should be concurrently designed and put into production alongside production equipment</div> <div>■ All subsidiaries 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</div> <div>■ Continuously upgrade and transform exhaust gas treatment technology, building new factories and adopting new technologies, materials, and equipment encouraged by the state, such as fixed molecular sieve adsorption + regenerative thermal oxidizer (RTO), activated carbon adsorption + regenerative catalytic oxidizer (RCO), and rotary wheel adsorption + regenerative thermal oxidizer (RTO)</div> <div>■ Subsidiaries using activated carbon and UV photolysis waste gas treatment equipment replace activated carbon and catalyst regularly, in full and in sufficient quantity according to the equipment design parameters</div> <div>■ 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</div> <div>■ Regularly monitor the waste gas discharged from kitchen equipment to ensure compliance with regulations and standards</div> <div>■ During the reporting period, the Company achieved a 100% compliance rate for exhaust gas discharge</div>
<div>Waste Managemen</div> <div></div>	<div>■ General industrial solid wastes such as packaging surplus materials and leftover materials</div> <div>■ Waste liquid packaging container, waste lamp tube, spraying waste liquid, wiping waste gauze, waste activated carbon, and other hazardous wastes</div>	<div>■ Hazardous waste management should be implemented in accordance with the <i>Provisions on Chemical Management</i>, and general solid waste should be implemented in accordance with the <i>Provisions on Waste Classification and Waste Disposal</i></div> <div>■ Hazardous wastes and general solid wastes should be handled by qualified contractors, and disposal records shall be kept</div> <div>■ 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</div> <div>■ During the reporting period, the Company achieved a 100% compliance rate for hazardous waste disposal</div>
<div>Noise Management</div> <div></div>	<div>■ Noise generated during the operation of cutting machines, washing machines, printing machines, and other production facilities</div>	<div>■ Regularly inspect the working environment and boundary noise according to the <i>Standard for Noise at Boundary of Industrial Enterprises</i></div> <div>■ 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)</div> <div>■ During the reporting period, the Company achieved a 100% compliance rate for noise control.</div>

Emission Source Management at Fuyao Glass

### Fuyao Aluminum Parts upgrade and reconstruct exhaust gas treatment facilities

In 2024, Fuyao Aluminum Parts invested 2.8 million yuan to install the exhaust gas treatment facility, a "zeolite rotor concentration + RTO regenerative incinerator combination", with a capacity of 50,000 m³/h on its newly built flat spraying line. Compared to the original "activated carbon - desorption - catalytic combustion" treatment facility, the new facility not only has a higher treatment capacity but also efficiently removes volatile organic compounds (VOCs), particulate matter, and harmful substances like xylene from the exhaust gas, effectively reducing the discharge of multiple pollutants in the exhaust gas.



Schematic Diagram of the Exhaust Gas Collection System after the Installation of the New "Zeolite Rotor Concentration + RTO Regenerative Incinerator Combination" Facility

### Fuzhou Mould recover and optimize oil mist from machine tool

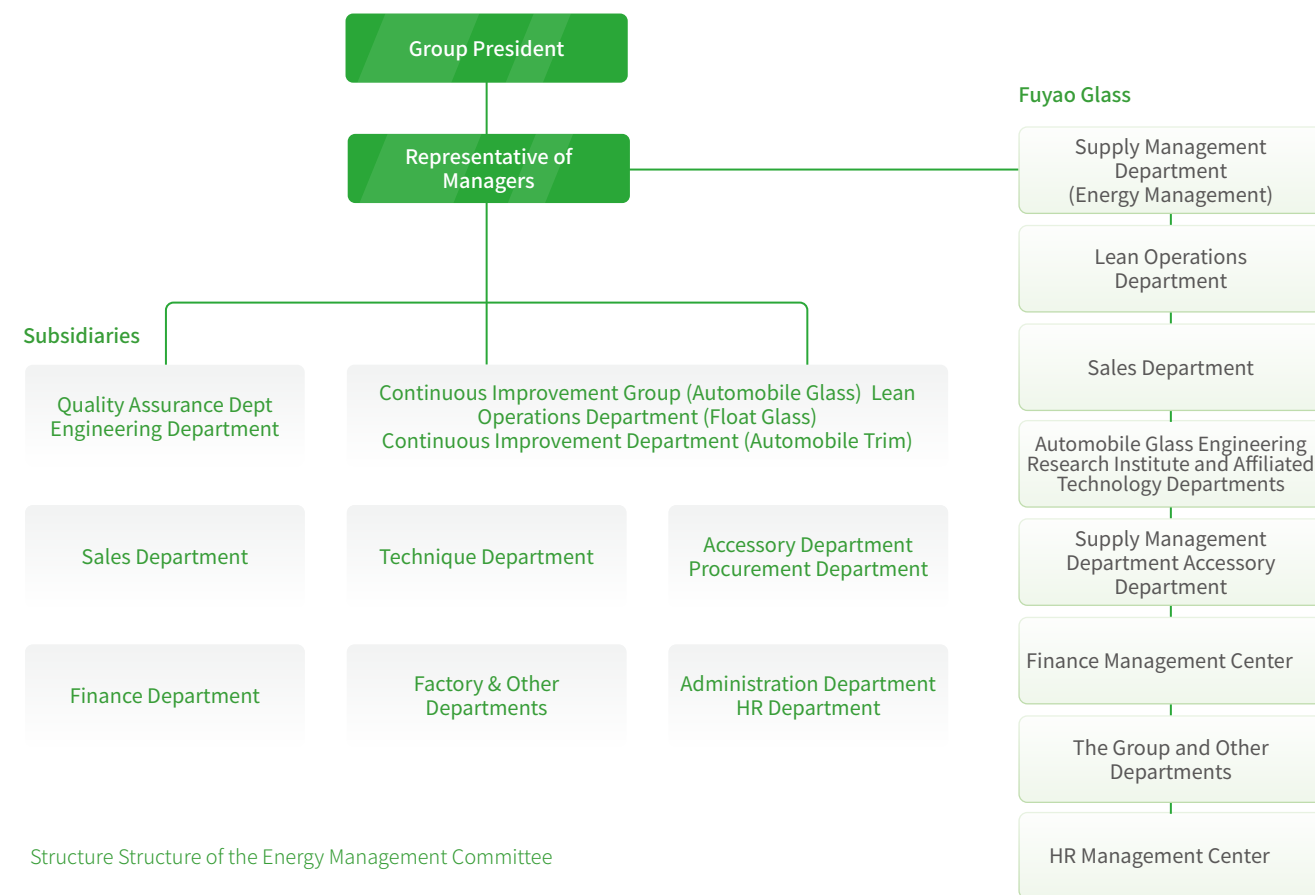
In 2024, to reduce the large amount of oil mist and smoke generated by the use of cutting oil or cutting fluid during machining of workpieces on machine tools, Fuzhou Mould added an oil-water separator to achieve the circulation of cutting fluid during machine tool processing and replaced semi-synthetic oil products with fully synthetic oil products to inhibit bacterial growth, purify the cutting fluid, and effectively extend the service life of the cutting fluid. The Company reduced the annual usage and disposal of cutting fluid by approximately 1,014 liters through this improvement project, resulting in a reduction of treatment costs by 1,400 yuan and an estimated total benefit of about 58,400 yuan. This project also reduced the risk of storage and transportation, providing significant invisible benefits for employee occupational health protection and environmental compliance management.

## Optimizing Resource Utilization

Fuyao Glass actively embraces the principles of low-carbon emission control, energy conservation, and consumption reduction. The Company focuses on enhancing the management of energy, water resources, raw materials, and packaging, while strictly regulating resource utilization and optimizing efficiency. To support these efforts, Fuyao Glass has established an energy management system that delineates clear rights and responsibilities. The Company is working to become a resource-saving enterprise by promoting energy-saving and water-saving technologies, increasing the proportion of clean energy usage, and enhancing resource recycling. During the reporting period, the Company undertook several energy-saving technological transformation projects and implemented its low-carbon operational strategy.

## Energy Management

Fuyao Glass strictly complies with laws and regulations such as the *Energy Conservation Law of the People's Republic of China*, *Administrative Measures for Energy Conservation of Key Energy Users*, and *Administrative Measures for Industrial Energy Conservation*. The Company has developed internal management systems, including the *Management Procedures of Energy Operations*, *Management Procedures of Monitoring and Measurement*, and *Administrative Provisions on Energy Conservation and Environmental Protection*. Fuyao Glass has established an Energy Management Committee and established an energy management system covering all functional departments and subsidiaries of the Group. Under the leadership of the Group President, the management representative takes the lead in organizing the implementation of energy management policies and plans.



Fuyao Glass has established energy efficiency objectives tailored to its operational and developmental context while formulating specific breakdown goals and project plans to enhance energy efficiency and minimize energy waste to integrate energy-saving measures into various facets of its production and operations. The Company continuously optimizes its workflows, introduces advanced energy-saving technologies and high-efficiency equipment, and carries out multiple quality improvement and efficiency enhancement projects to reduce electricity, water,

and material consumption. Concurrently, the Company timely collects and evaluates its overall energy consumption, monitors progress toward its objectives, and adjusts work methods as needed. The Company provides performance incentives to subsidiaries and project teams that achieve their targets, encouraging all employees to actively participate in energy-saving and consumption reduction efforts, and injecting green momentum into the Company's sustainable development.

### Fuyao Glass's Energy Efficiency Goals:

To achieve a **50% reduction** in carbon emission per unit of output value **by 2030 compared to the 2019** baseline

Fuyao Glass fully implements energy conservation management measures and technology-driven energy conservation measures, designs a variety of innovative solutions to improve energy utilization, and maximizes the improvement of energy consumption problems and reduces the use of fossil energy through technological innovation, the transformation of energy structure, and the digital construction of energy management. In 2024, the Company focused on the development of renewable energy and the improvement of energy efficiency, and carried out the construction and renovation of various facilities and equipment. In addition, the Company has strengthened its training activities on energy management and utilization to enhance employees' awareness of energy conservation and environmental protection.

### In 2024

Fuyao Glass consumed a total of

**6,808,730.01** MWh of energy (Chinese mainland)

renewable energy generation of

**229,054.30** MWh

The Company reduced energy consumption by

**28,150.77** tonnes of standard coal



	Automobile Glass			Float Glass		
	2024	2023	2022	2024	2023	2022
Natural Gas (MWh)	78,970.37	35,076.80	35,674.88	4,084,183.54	3,776,449.41	3,835,006.64
Diesel (MWh)	9,295.25	8,671.83	9,183.44	17,821.16	14,643.83	17531.14
Gasoline (MWh)	1,529.93	1,621.49	1,197.47	35.75	199.11	169.33
Liquefied Petroleum Gas (MWh)	0	27.21	803.87	0	0	292.87
Direct Energy Consumption (MWh)	89,795.55	45,397.34	46,859.66	4,102,040.45	3,791,292.35	3,852,999.98
Direct Energy Consumption Density	2.63 MWh/10,000 m² of product	1.21 MWh/10,000 m² of product	2.01 MWh/10,000 m² of product	1.27 MWh/10,000 tonnes of product	1.27 MWh/10,000 tonnes of product	1.23 MWh/10,000 tonnes of product
Purchased Electricity (MWh)	2,134,634.70	1,507,120.97	1,371,238.90	251,265.12	340,403.76	348,845.50
Purchased Heat (MWh)	1,938.29	1,683.61	2,771.63	0	0	0
Indirect Energy Consumption (MWh)	2,136,572.99	1,508,804.58	1,374,010.54	251,265.12	340,403.76	348,845.50
Indirect Energy Consumption Density	63.64 MWh/10,000 m² of product	40.28 MWh/10,000 m² of product	58.91 MWh/10,000 m² of product	0.078 MWh/10,000 tonnes of product	0.11 MWh/10,000 tonnes of product	0.11 MWh/10,000 tonnes of product
Photovoltaic power generation (MWh)	83,140.30	95,930.01	91,810.20	19,581.88	2,996.21	0
Waste heat power generation (MWh)	25,531.60	22,413.65	24,315.68	100,802.12	51,321.89	43,245.38
Total Energy Consumption <sup>12</sup> (MWh)	2,335,040.44	1,672,545.58	1,536,996.08	4,473,689.57	4,186,014.21	4,186,014.21
Total Energy Consumption Density	68.46 MWh/10,000 m² of product	44.65 MWh/10,000 m² of product	65.90 MWh/10,000 m² of product	1.39 MWh/10,000 tonnes of product	1.40 MWh/10,000 tonnes of product	1.36 MWh/10,000 tonnes of product

Energy Consumption and Density at Fuyao Glass in 2022-2024 (Chinese mainland)

<sup>12</sup> The total energy consumption is the sum of direct energy consumption, indirect energy consumption, and renewable energy consumption. According to this calculation logic, the data for 2022 and 2023 has been retrospectively adjusted.

### Energy efficiency improvement projects at Fuyao Glass's subsidiaries

Hubei Fuyao reduced electricity consumption by 17,615,000 kWh through pre-treatment of air in the car washroom, upgrading the drying machine, autoclave, and air compressor, achieving a carbon reduction of 10,314 tonnes of CO<sub>2</sub> equivalent;

Tianjin Automobile Glass modified the acid washing tank in the steeling plant, utilizing the waste heat from the air compressor of the steeling furnace to heat the acid washing tank through a plate heat exchanger, eliminating the electric heating method. This not only eliminates the safety hazards of electric heating but also reduces energy consumption by 1,302,400 kWh per year, equivalent to a reduction of 882.51 tonnes of CO<sub>2</sub> equivalent;



Air Compressor Waste Heat Recovery Project at Tianjin Automobile Glass

Guangzhou Automobile Glass improved the convection of the pressing furnace, changing the automatic stop time of convection after the glass enters the pressing furnace from 10 minutes to 4 minutes, reducing the waste of compressed air and electricity, saving 411,800 kWh of electricity per year, achieving a carbon reduction of 181.32 tonnes of CO<sub>2</sub> equivalent;

To reduce the energy consumption of the aluminum rod heating furnace, Changchun Aluminum Parts built a shed in the aluminum rod area and utilized waste heat from the aging furnace to raise the initial temperature of the aluminum rods, shortening the heating time. The project saves 33,392.64 kWh of electricity per year, achieving a carbon reduction of 18.58 tonnes of CO<sub>2</sub> equivalent.

### Green electricity supports a sustainable future

Fuyao Group has been actively developing photovoltaic projects since 2017 and has continuously increased its investment in this area. In 2024, the photovoltaic systems at Changchun Automobile Glass and Fuqing Automobile Trim officially started operation, with installed capacities of 10.4 MWp and 4.5 MWp, respectively. As of the end of the reporting period, 12 subsidiaries had put their distributed photovoltaic systems into use, with a total installed capacity of 130.8 MWp, generating a total of 205,580 MWh of electricity, achieving a carbon reduction of 109,800 tonnes of CO<sub>2</sub> equivalent. At the same time, several subsidiaries of Fuyao Glass use waste heat from glass furnace flue gas for power generation, saving 98,300 MWh of electricity and reducing 53,300 tonnes of CO<sub>2</sub> equivalent.

In addition, the Company actively purchases green electricity and green certificates. In 2024, Hubei Fuyao, Shanghai Automobile Glass, Fuqing Automobile Glass, and Tianjin Automobile Glass purchased 21,012.43 MWh, 48,105 MWh, 1,265 MWh, and 33,880.957 MWh of green certificates, respectively, reducing approximately 61,679.7 tonnes of CO<sub>2</sub> equivalent.

#### As of the end of the reporting period

12

subsidaries had put their distributed photovoltaic systems into use

The annual cumulative power generation reached

205,580 MWh of electricity

The total installed capacity reached

130.8 MWp

In total

109,800 tonnes of CO<sub>2</sub> equivalent were saved

Water Resource Management

Fuyao Glass highly values the reasonable use and protection of water resources and actively takes measures to improve water use efficiency and save water, easing the pressure of water resource scarcity in its operating areas. The Company implements a water resource management strategy of "source control and equipment upgrades", applies high-efficiency water-saving technologies and processes, introduces recycling water systems and water recovery equipment, and regularly analyses the Company's water usage and recycling situation to set water resource management targets and annual water-saving plans, continuously promoting the sustainable use of water resources.

Fuyao Glass's Water Efficiency Goals:

Fuyao automobile Glass:

to reduce water consumption per square meter of product to less than

0.03 tonnes by 2030

Fuyao Float Glass:

to reduce water consumption per ton of product by

30% by 2030 from the 2019 baseline

	Automobile Glass			Float Glass		
	2024	2023	2022	2024	2023	2022
Total Water Intake (tonnes) <sup>13</sup>	6,960,754.2	6,845,886.18	4,747,762.18	3,311,067.15	641,591.15	1,051,144.00
Total Water Discharge (tonnes)	5,336,189.97	4,113,000.00	3,498,500.00	172,718.00	83,500.00	128,100.00
Total Water Consumption (tonnes)	1,624,564.23	2,732,886.18	1,249,262.18	3,138,349.15	558,091.15	923,044.00
Water Consumption Density	0.0048 tonnes/m <sup>2</sup> of product	0.0073 tonnes/m <sup>2</sup> of product	0.0054 tonnes/m <sup>2</sup> of product	0.9750 tonnes/tonnes of product	0.1866 tonnes/tonnes of product	0.2951 tonnes/tonnes of product

Water Consumption in 2022-2024<sup>14</sup> (Chinese mainland)

<sup>13</sup> Due to the increased water usage from the addition of an aluminum parts factory, as well as the Hainan and Benxi sand mines, total water intake increased in 2024.

<sup>14</sup> Water consumption for the past three years was recalculated using the formula: Water Consumption = Water Intake - Water Discharge.

Reducing recycled water consumption on three wire thermostats

In 2024, Fuqing Float Glass renovated the feeder at the furnace head by modifying the diameter of the return pipe to reduce the amount of water it carries. When the water box in the tin tank track and outlet, and edge roller are in standby mode, the circulating water valve will be shut off to significantly reduce water consumption. According to statistics, the renovated feeder at the furnace head is expected to save 113.4 tonnes of water per hour.



Closing the water box



Adjusting the diameter of the return pipe

Utilizing wastewater for toilet flushing

In 2024, in order to address the issue of water wastage due to the use of tap water for flushing toilets, Changchun Aluminum Parts installed a 10-tonne wastewater tank, added a constant pressure water supply pump, and laid out separate piping to utilize reclaimed water from water purification systems for toilet flushing. This initiative saves 3,600 tonnes of water annually.

Changchun Aluminum Parts installed a

10-tonne wastewater tank

In total

3,600 tonnes of water was saved





## Material Management

Fuyao Glass is committed to assessing the environmental impact of raw materials and packaging used throughout its operational activities and product lifecycle. The Company actively promotes the reduction and recycling of production materials and packaging, engages in comprehensive waste recycling initiatives, implements meticulous management of raw materials, and contributes to the advancement of a circular economy. In the production process, Fuyao Glass makes full use of materials such as glass cullet and PVB offcuts, striving to minimize resource waste. During the reporting period, the Company recycled 42% of its glass, with 19% from Fuyao Float

Glass's internal recycling, 12% from Fuyao Automobile Glass recycling, and 11% from external purchases. The recycled glass is processed into flat glass for use in Automobile glass manufacturing, promoting the effective recycling of glass materials and reducing waste at the source, thereby enhancing resource utilization. Additionally, the Group has established a unified packaging material management system, encouraging subsidiaries to form specialized teams for optimizing packaging boxes tailored to each product, making packaging use plans, improving packaging performance, and conserving resources.

	Automobile Glass			Float Glass		
	2024	2023	2022	2024	2023	2022
Metal (tonnes)	3294.47	3,226.71	1,100.21	633.54	1,089.35	481.33
Wood (tonnes)	25,348.08	22,910.51	21,348.21	1,221.30	1,284.50	1,502.51
Paper (tonnes)	18,464.02	16,129.33	34,385.27	29.55	93.95	25.36
Others (tonnes)	4,405.91	3,086.33	3,683.70	211.49	135.70	107.09
Total Packaging Material (tonnes)	51,512.48	45,352.88	60,517.39	2,095.87	2,603.50	2,116.29
Per Unit of Production	1.51 tonnes/ 10,000 m² of product	1.21 tonnes/ 10,000 m² of product	2.59 tonnes/ 10,000 m² of product	6.51 tonnes/ 10,000 tonnes of product	8.71 tonnes/ 10,000 tonnes of product	6.77 tonnes/ 10,000 tonnes of product

Total Packaging Material Use in 2022-2024 (Chinese mainland)

### Repairing and improving the baseplate of FY frame packaging box to reduce the use of plywood

In 2024, Fuyao Float Glass addressed the issue of missing corners on the baseplate of FY frame packaging box<sup>15</sup> caused by wear and tear, which had led to the scrapping of the entire baseplate. After multiple on-site experiments, a successful repair plan was developed that did not interfere with the pulldown. By utilizing discarded protective boards to repair the missing corners, the Company achieved a 10% reduction in the scrappage of baseplates, equating to an estimated decrease of 840 scrapped baseplates per year, thereby significantly lowering plywood consumption.



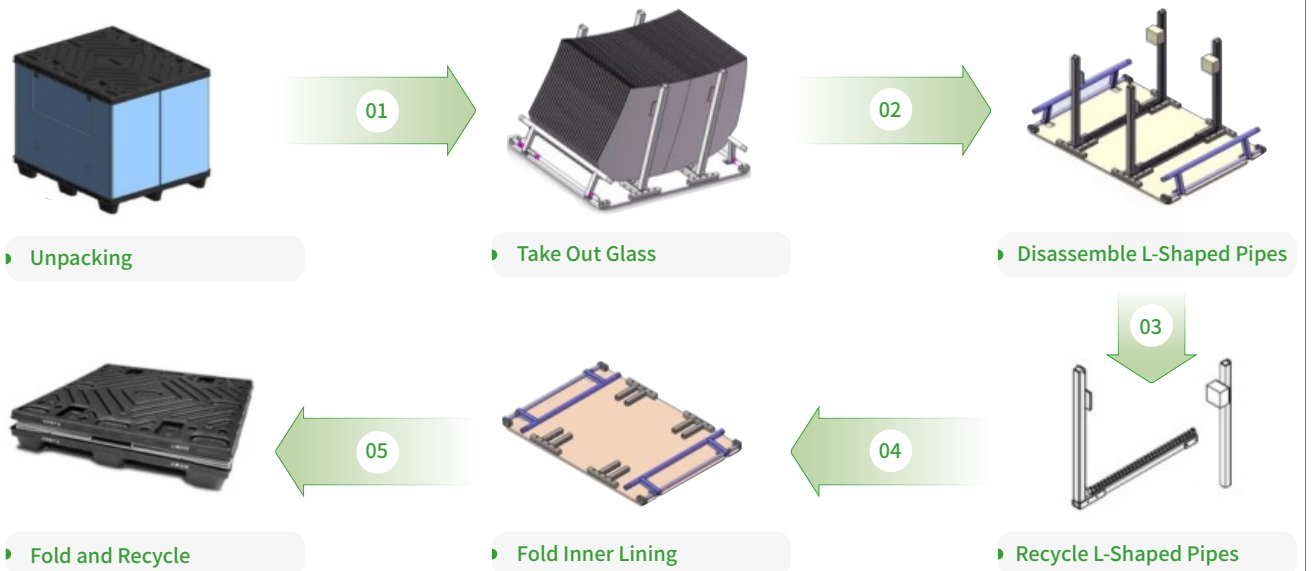
Corner Repair on the Baseplate



FY Frame Packing Box

### Replacing iron boxes with front shield surrounding boxes

In 2024, Hubei Automobile Glass innovated its technology and design by introducing front bumper boxes that offer advantages in pricing, storage, loading capacity, and recyclability to address issues related to high scrapping rates, high numbers of new scrapped boxes, and high inventory levels of iron boxes. The front bumper box is highly versatile and can accommodate various products simply by adjusting the L-shaped support rack inside. It can avoid obsolescence due to the reduction or cessation of production of certain products and can be recycled multiple times. Furthermore, the procurement cost of the front bumper box is lower than that of iron boxes, and its foldable design reduces storage space requirements, thereby enabling the Company to cut costs and enhance operational efficiency.



Process for recycling front shield surrounding boxes

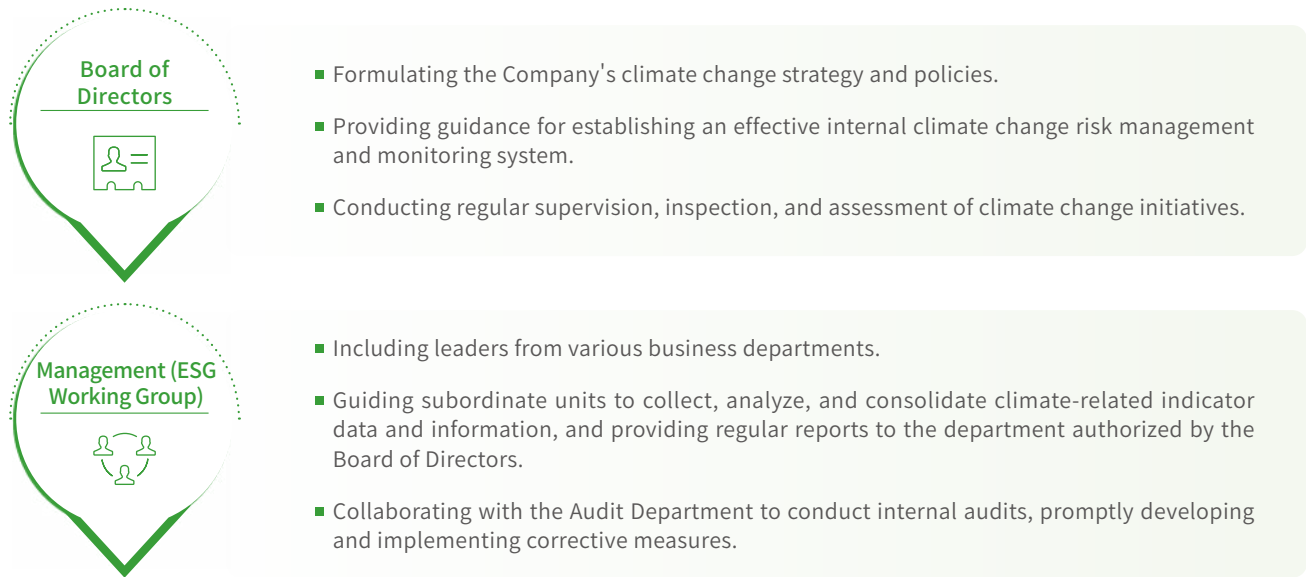
<sup>15</sup> Baseplate is an essential component that provides support at the base of the glass box.

# Addressing Climate Change

In the context of global warming, actively addressing climate change has become a basic consensus for enterprises. As a leading global automobile glass manufacturer, Fuyao Glass takes its corporate responsibility seriously, fully supporting the long-term goals and agenda of global climate change based on the Paris Agreement, and implementing the national carbon peaking and carbon neutrality strategy. The Company prioritizes green development, promotes comprehensive green and low-carbon transformation, and continuously improves its carbon emission control, striving to tackle the challenge of climate change together with global partners. The Company conducts climate change management efforts from four dimensions: governance, strategy, risk management, metrics and targets, in line with the Task Force on Climate-related Financial Disclosures (TCFD) framework, to enhance its capabilities to address climate change.

## Climate Change Governance

Fuyao Glass attaches great importance to the impact of climate change on the Company's long-term development, integrating climate change management responsibilities and functions into its ESG governance structure. It has established a climate change governance system with the Board of Directors as the top decision-making body, clearly defining the supervisory and organizational roles of the Board and management in climate change governance to ensure the steady progress of climate change governance. The Company continuously monitors climate change policy trends and adjusts its development strategy and long-term planning accordingly.



Fuyao Glass has established an incentive system for energy conservation and emission reduction, incorporating climate change-related indicators into the performance evaluation of management and execution teams, and encouraging all employees to actively participate in climate change governance. Each year, the Company formulates KPI performance management indicators tailored to the business characteristics and operational conditions of each department and factory, including comprehensive electricity consumption, total energy consumption, greenhouse gas emissions per unit of product, and the achievement of energy conservation and emission reduction. Fuyao Glass requires departments and factories to control and analyze the improvement of their respective performance targets, continuously enhancing the level of climate change management.

## Climate Change Strategy

Fuyao Glass conducts annual analyses of climate change risks and opportunities, considering its business situation and various climate factors comprehensively, proposing countermeasures for the various risks that climate change may bring, and seizing the opportunities brought by climate change to adjust its operational strategies and optimize resource allocation. During the reporting period, the climate risks identified by Fuyao Glass that have actual or potential significant impacts on the Company's business, strategy, and financial planning are shown in the following tables:

Transition Risks		
Specific Risks	Risk Identification	Risk Responses
Policy and Regulatory Risks	<ul style="list-style-type: none"><li>■ 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 2024, the State Council issued the <i>Interim Regulations on Carbon Emission Trading Management</i>, the <i>Action Plan for Energy Conservation and Carbon Reduction in 2024 - 2025</i>, and <i>Opinions on Accelerating the Comprehensive Green Transformation of Economic and Social Development</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.</li></ul>	<ul style="list-style-type: none"><li>■ Stay informed about the national trends in green automobile glass products and green manufacturing standards, actively engage in the development of industry standards, and establish a product R&amp;D and internal control system that exceeds both national and industry standards.</li><li>■ Gradually deploy clean energy sources such as solar and wind power in factories to reduce reliance on fossil fuels and lower energy consumption at the source.</li></ul>
Technological Transition Risks	<ul style="list-style-type: none"><li>■ The profitability of the Company depends on its ability to adapt to the automobile 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.</li><li>■ 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.</li></ul>	<ul style="list-style-type: none"><li>■ 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.</li></ul>
Market Risks	<ul style="list-style-type: none"><li>■ The global automobile 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.</li></ul>	<ul style="list-style-type: none"><li>■ 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&amp;D, supporting continuous innovation and the ongoing development of new products;</li><li>■ Collaborate with new energy vehicle manufacturers to develop new products, supporting the development and promotion of new energy vehicles;</li><li>■ Continuously enhance the energy efficiency of production processes, establish green factories, and integrate green standards into the ESG risk management system.</li></ul>
Reputational Risks	<ul style="list-style-type: none"><li>■ 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.</li></ul>	<ul style="list-style-type: none"><li>■ Engage proactively in green project applications in alignment with the national green development strategy.</li></ul>

Analysis of Climate Change Transition Risks



Physical Risks		
Specific Risks	Risk Identification	Risk Responses
Acute Risks	<ul style="list-style-type: none"><li>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.</li></ul>	<ul style="list-style-type: none"><li>Conduct a comprehensive assessment of acute risks, analyzing the threats of natural disasters to factories, supply chain nodes, and logistics routes in different regions, combining historical data and future climate models to develop risk level classification based on historical data and future climate models;</li><li>Develop and optimize emergency plans for typhoons and extreme rainfall, covering factory shutdown plans, personnel evacuation plans, supply chain disruption responses, and emergency material reserves, and conduct drills at various factories to ensure implementation;</li><li>Conduct adaptive transformation on factory infrastructure, supply chain, and intelligent monitoring systems;</li></ul> <p>Strengthen the waterproofing and windproof measures for factories located in high-risk areas, and enhance their drainage capacity</p> <p>Optimize the supplier network to reduce dependency on key materials in high-risk areas and establish backup supply chains and inventory strategies;</p> <p>Introduce a meteorological early warning system to monitor weather changes in real-time and initiate emergency responses in advance;</p>
	<ul style="list-style-type: none"><li>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.</li></ul>	<ul style="list-style-type: none"><li>Provide training on acute risk response to employees to enhance their ability to respond to disasters.</li></ul>
Chronic Risks	<ul style="list-style-type: none"><li>Global warming will increase the frequency of floods and heavy rains, affecting the Company's long-term operations, increasing maintenance costs, and shortening the useful life of assets.</li></ul>	<ul style="list-style-type: none"><li>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.</li></ul>

Analysis of Physical Climate Change Risks

## Climate Change Risk Management

Fuyao Glass prioritizes climate change risk management by integrating climate-related risks into its risk management system and establishing a process for identifying, assessing, and mitigating these risks. During the reporting period, the Company conducted a comprehensive carbon inventory to analyze its carbon emissions status, summarize key greenhouse gas emission processes and intensities, and clarify its exposure to climate change risks. Each business department further evaluates, categorizes, and discusses potential climate risks based on their specific situations.

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 Assessment

>>

- After information collection, business departments assess the potential impacts of climate risks on operations, supply chains, and finances through a combination of quantitative and qualitative methods, using historical data, climate models, and business impact analysis, with a focus on high-emission and climate-sensitive production areas, especially factories located in coastal regions;
- After the assessment, an internal and external environmental analysis report is issued, and based on the analysis, climate-related control indicators are formulated and reported annually to the Group's operations department and submitted to the Office of the Board of Directors for evaluation.

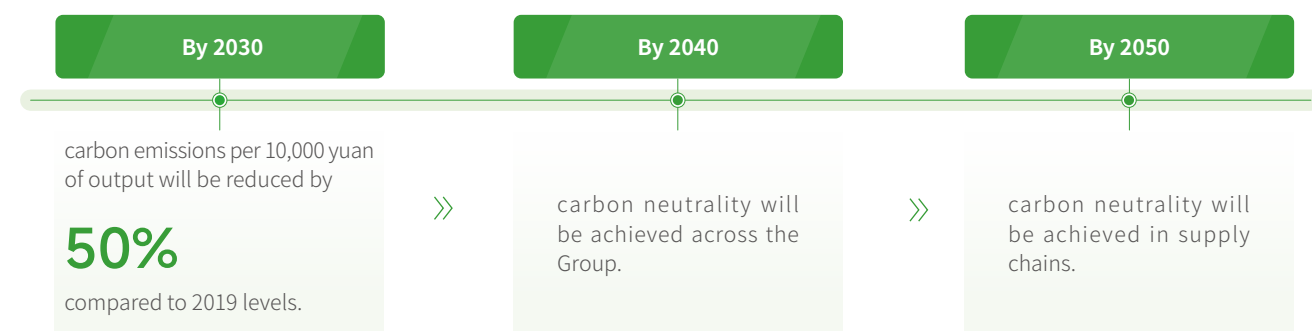
Risk Management

>>

- 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 Targets

Fuyao Glass has set a series of climate management indicators and targets in line with the TCFD disclosure framework and the identification and assessment of climate risks and opportunities. The Company has set 2030, 2040, and 2050 as the short, medium, and long-term development milestones, formulating dual-carbon strategy goals and emission reduction plans. To achieve these dual-carbon strategy goals as planned, the Group has taken several key measures, including setting waste emission targets, energy efficiency targets, and water efficiency targets, promoting energy-saving technological transformations, and developing clean energy. The Company also collaborates with suppliers to set carbon reduction targets, promoting green production and logistics transformation across the entire supply chain. In 2024, the Company successfully completed various tasks and actively promoted the formulation of the next climate change target in response to policy and regulatory changes.



Carbon Reduction Targets at Fuyao Glass



In recent years, Fuyao Glass has continued to carry out carbon emission accounting and tracking to strengthen indicators and data collection related to climate change, formulated the *Greenhouse Gas Emission Management Regulations*, established a comprehensive carbon emission accounting system covering direct emissions (Scope 1), indirect emissions (Scope 2) and part of the value chain-related emissions (Scope 3), and standardized the criteria for carbon data reporting of the Group and its subsidiaries, in order to lay a solid foundation for achieving the Group's dual-carbon strategy.

The Company conducted carbon inventory for two consecutive years starting from 2023. At the same time, the Company explores the internal carbon pricing mechanism to quantify the cost of carbon emissions and incorporate carbon costs into investment decisions and operation management, so as to continuously raise the awareness of the Group's carbon emission reduction responsibility. In 2024, Fuyao Glass achieved significant results in carbon reduction. The Group's total greenhouse gas emissions for the year amounted to 4,113,126.70 tonnes of CO<sub>2</sub> eq. The emission density of Automobile Glass was 0.0047 tonnes of CO<sub>2</sub> eq / m<sup>2</sup> of product, and the emission density of Fuyao Float glass was 0.4056 tonnes of CO<sub>2</sub> eq / m<sup>2</sup> of product. The Company has gained widespread recognition in green manufacturing and carbon reduction through its sound carbon emission management mechanism and solid carbon reduction efforts.



Fuyao Group was ranked **30<sup>th</sup>** in the Dual Carbon Innovator List for Industrial Manufacturing issued by the CSR Research Center of *Southern Weekly*.

	Automobile Glass			Float Glass		
	2024	2023	2022	2024	2023	2022
Scope I direct emissions (tonnes of CO <sub>2</sub> eq)	25,798.72	27,419.33	20,530.38	968,576.78	1,002,934.03	1,002,682.37
Scope II direct emissions (tonnes of CO <sub>2</sub> eq)	1,061,135.81	761,376.99	822,986.09	179,862.13	179,862.13	212,557.38
Scope III direct emissions <sup>16</sup> (tonnes of CO <sub>2</sub> eq)	500,726.24	/	/	157,088.59	/	/
Total emissions <sup>17</sup> (tonnes of CO <sub>2</sub> eq)	1,587,660.77	788,796.32	843,516.47	1,305,527.50	1,204,327.41	1,215,239.75
GHG emission intensity	0.0047 tonnes of CO <sub>2</sub> eq / m <sup>2</sup> of product	0.0021 tonnes of CO <sub>2</sub> eq / m <sup>2</sup> of product	0.0036 tonnes of CO <sub>2</sub> eq / m <sup>2</sup> of product	0.4056 tonnes of CO <sub>2</sub> eq / tonnes of product	0.4027 tonnes of CO <sub>2</sub> eq / tonnes of product	0.3885 tonnes of CO <sub>2</sub> eq / tonnes of product

Greenhouse Gas Emissions and Density in 2022-2024 (Chinese mainland)

<sup>16</sup> Scope includes categories 1, 2, 3, 4, 6, 7, 8, 9, 13, and 14.

<sup>17</sup> In 2024, the total emissions equal the sum of Scope 1, Scope 2, and Scope 3 emissions. In 2023 and 2022, no Scope 3 inventory was carried out, so the total emissions equal the sum of Scope 1 and Scope 2 emissions.



## Commitment to Green Innovation

Fuyao Glass regards green innovation as one of its core development strategies, persisting in the R&D of environmentally friendly green products and continuously exploring a path of sustainable development led by technology. In the product design process, the Company prioritizes reducing environmental impact, proposing automobile glass solutions from three aspects: reducing weight, reducing the use of air conditioning, and supplementing energy. It has launched a variety of green products that combine excellent performance with environmental advantages. At the same time, the Company actively popularizes and promotes green products, enhancing customers' and consumers' awareness of environmental protection and sustainable development, and building a green and environmentally friendly corporate identity.

### UV and IR Super Insulation Glass

The glass has an organic-inorganic hybrid film on its inner surface that can absorb infrared and block ultraviolet rays, ensuring a uniform appearance without color difference and excellent scratch and aging resistance. It can block over 85% of infrared rays and 99% of ultraviolet rays, preventing interior aging and skin sunburn, and improving in-car comfort.

### Solar Glass

Solar cells are embedded in the glass interlayer. When sunlight hits the semiconductor PN junction on the solar cells, a voltage is generated between the two sides of the PN junction, producing electricity to power the vehicle. A sunroof with a standard power generation capacity of 200 W can produce 800 Wh of electricity per day and 290 kWh per year when exposed to sunlight for 4 hours daily. This output is equivalent to an increase of 1,450 km in the annual driving range.

### Lightweight Glass

Through special processes, the weight of tempered and laminated glass can be reduced, thereby reducing vehicle weight, lowering fuel and electricity consumption. The product can reduce the total glass weight of a vehicle by 10-15 kg and increase the maximum impact speed of the outer surface against flying stones by 1.4 times. Meanwhile, the thinner inner layer improves the clarity of HUD images, achieving high optical quality, and can add sound insulation PVB functions for better sound insulation effects.

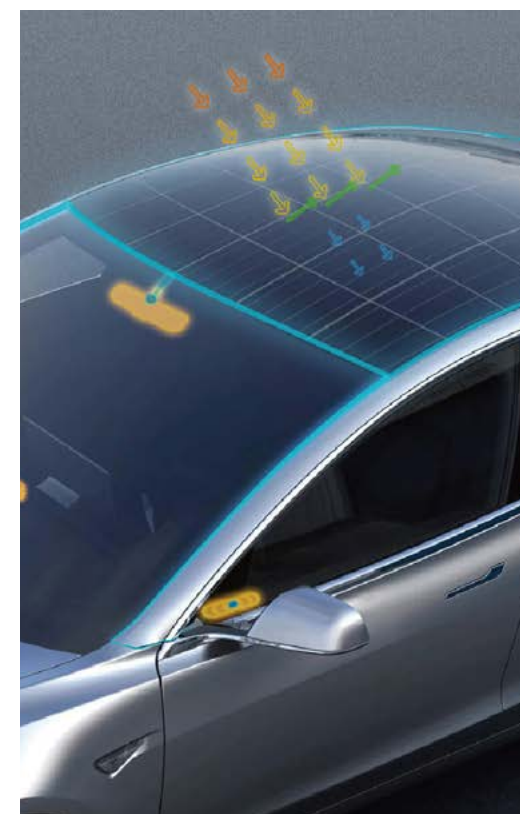
### Sunshade-Free Sunroof

The sunshade-free sunroof can replace the original sunshade system, including the motor and curtain, thereby reducing the vehicle's weight by 3-5 kg and saving up to 60 mm of rear headroom. Using advanced triple-silver coating and low-emissivity (LOW-E) technology, the infrared and ultraviolet ray blocking rates reach 99%, and the total solar energy blocking rate is 89%. Under standard conditions of 38 ° C and exposure for 2.5 hours, the in-car temperature is 7-10 ° C cooler than with ordinary sunroof glass.

Introduction to Green and Environmentally Friendly Glass at Fuyao Glass



UV and IR Super Insulation Glass



Solar Glass



Lightweight Glass



Sunshade-Free Sunroof



# 06

## Taking Collective Action

### and Becoming a Noteworthy Example in the Global Industry

Fuyao Glass is aimed at building a responsible supply chain system, integrating the concept of sustainable development into the whole process management of suppliers, and establishing a model for the global industry. Under the guidance of the founder of the Group, Fuyao Glass gives back to society through industry and actively participates in public welfare undertakings to create a better future.

#### SDGs Responded



#### Major Annual Progress

Number of procurement employees completed the sustainable procurement training

176

Percentage of suppliers signed the sustainable procurement charters

76.90%

Completion rate of suppliers on-site CSR questionnaires

95.56%

Percentage of suppliers passed CSR evaluations

74.32%

Percentage of suppliers submitted reports on conflict minerals (tin, tantalum, tungsten, gold)

100%

Amount of social welfare donations by Fuyao Glass

3.28million yuan

Amount of social welfare donations by Heren Charity Foundation

543.10million yuan



Building a Responsible Supply Chain

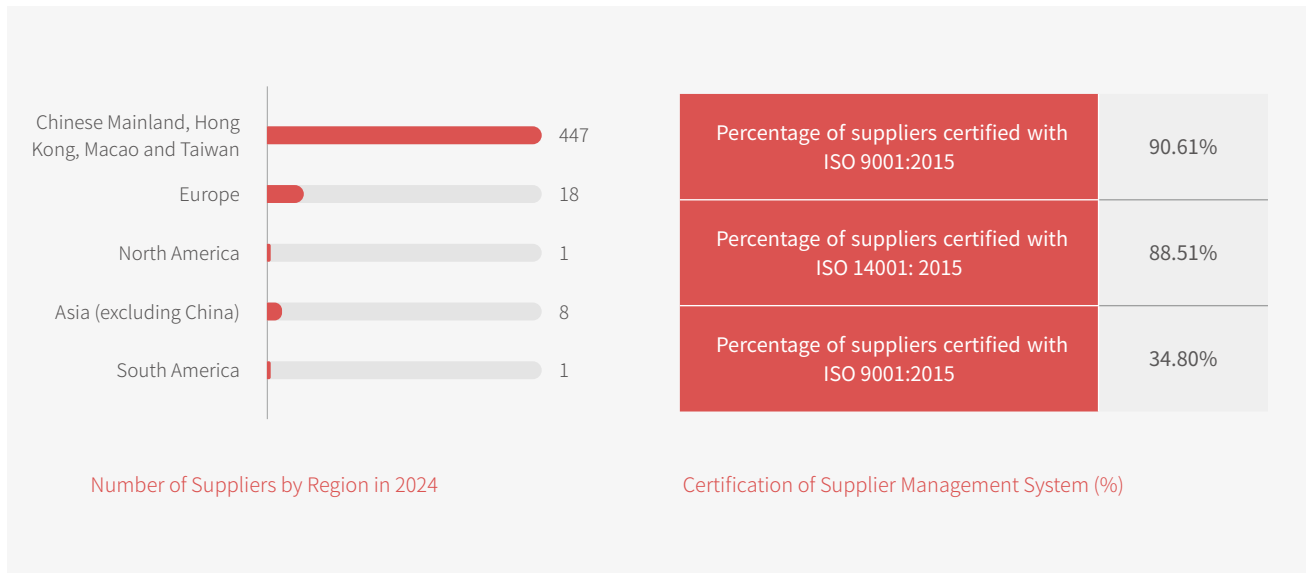
Fuyao Glass integrates the concept of sustainable development into supplier management requirements, conducts in-depth communication and cooperation with suppliers, as well as devotes itself to building a safe, stable, efficient, and competitive supply chain system.

Supply Chain Management System

Fuyao Glass has formulated internal supply chain management systems such as *Supplier Management Manual* and *Qualified Supplier Management System* in strict accordance with laws and regulations. We carry out supplier classification according to the importance of materials and standardize supplier management requirements from the aspects of information security, development of first articles and accessories, and handling of quality problems. In 2024, Fuyao Glass added a number of internal systems such as the *Procurement Control Process*, *Supplier Management Process*, and *Code of Conduct on Material Supply Safety* to improve supply chain management capabilities from many aspects such as standardization of supplier management processes and standardization of procurement behaviors. Besides, the Company kept improving the supply chain information management system, carried out information management of the whole life cycle of supplier information management, quotation review, contract signing, logistics and transportation, acceptance

standards and reimbursement process through a series of measures such as increasing the coverage of the SRM system and promoting the scope of use of the FYDS system, thus improving the efficiency of supply chain operation.

Fuyao Glass pays close attention to the international and domestic political and economic situation. In 2024, the Group organized a special meeting on global supply security to deal with external risks, and formulated the *Supply Security Action Plan List* to improve the level of global supply security. In addition, Fuyao Glass has established a notification and early warning mechanism for international shipping hot events. When necessary, the Group took the lead in organizing subsidiaries and suppliers to coordinate and deal with various risks in the process of shipping, thereby reducing the influences of external unstable factors on the supply chain.



Sustainable Sourcing

Fuyao Glass keeps optimizing the full-process supply chain management system of supplier access, assessment, and exit, strengthens the management of suppliers by sustainable supply chain systems such as the Supplier Code of Conduct on Social Responsibility, and focuses on fully integrating ESG concept into all aspects of supply chain management. In 2024, Fuyao Glass has added hazard clauses and supplier social responsibility clauses to the *Main Supply Agreement* signed with suppliers, and agreed with suppliers on their social responsibilities through agreements, so as to improve the Company's management system for social responsibility in the supply chain.

In 2024

Fuyao Glass had a total of

475suppliers

Where

The proportion of suppliers who signed the sustainable procurement charter was

76.90%

The proportion of suppliers who signed contracts with environmental, labor and human rights provisions was

76.90%

The proportion of suppliers who passed CSR assessment was

74.32%

The completion rate of supplier on-site audit conducted in response to the CSR questionnaire was

95.56%

Sustainable Management of Suppliers in 2024

Access

- 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 2024, the Company announced the *Fuyao Group Code of Conduct for Social Responsibility* in the SRM system again, requiring suppliers to update relevant qualification documents.
- We require suppliers to meet the ISO 9001: 2015 quality management system requirements and move toward the IATF 16949: 2016 technical standards.
- For materials directly used in the production of raw material components and subject to direct contact with finished products, suppliers were required to introduce environmental management systems in daily operations and submit test reports for restricted substances corresponding to materials.

Assessment

- We provide the *Supplier Social Responsibility Self-Assessment Report*, and require suppliers to conduct self-examination on seven modules including their management system, respect for human rights and labor, labor safety and health, harmony with the environment, honest business activities, harmony with society, and information security, ensured that suppliers meet Fuyao Glass's requirements for CSR. We also advise our suppliers to sign the *Sustainable Procurement Charter* and the *Supplier Code of Conduct* in the main supply agreement.
- We establish the Supplier Audit Process and conduct annual supplier evaluations. We conduct on-site CSR inspections for suppliers listed in our annual evaluation list. We evaluate the environmental and social risks of our suppliers based on quality assurance, productivity, and CSR mechanism. In 2024, 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. In 2024, the Company completed the VDA6.3 process audit of 90 suppliers, and the audit results were 23 A-level, 66 B-level, and 1 C-level.
- We identify high-risk suppliers that may cause supply chain disruptions or major quality accidents based on the *Measures for the Administration of High-Risk Suppliers* and include them in our *List of High-Risk Suppliers*. We 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 *REACH Compliance Evaluation Form* to evaluate their compliance with environmental standards and requirements. Additionally, we request the RoHS Test Report to ensure the compliance of suppliers' materials.

Withdrawal

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

To promote the low-carbon transformation of the supply chain, Fuyao Glass has established a green supply chain leading group, which is responsible for formulating green supply chain strategies and goals and implementing relevant decisions. In 2024, the Company collected and summarized greenhouse gas emission data from the transportation process of purchased products and services and key raw materials, and published them after including them in the greenhouse gas inventory report of subsidiaries.

Fuyao Glass adheres to the concept of sustainable procurement, and actively conducts training for internal procurement personnel in order to ensure the Company's sustainable procurement capabilities. In 2024, the Company carried out special activities to inherit and promote knowledge of the procurement system, including:

Self-study course (study + examination)

Participants have completed

647

with a completion rate of

89%

Learning course:

A total completion rate of

100%

Participants have completed examinations

1,584

with a completion rate of

95%

Teaching and training:

were completed

27 courses

with a total of

2,705 participants

Participants have completed examinations

2,391

with a completion rate of

88%

In 2024

the Company had a total of

176 procurement personnel

of whom have passed the Six Sigma Green Belt test

36

have Green Belt certification

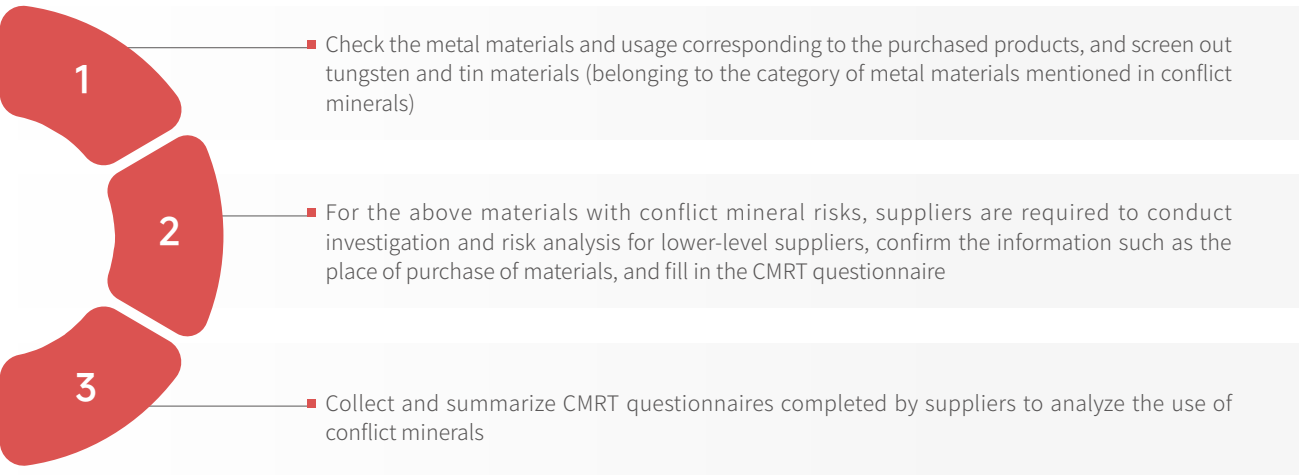
24

## Conflict Mineral Control

Fuyao Glass actively participates in maintaining the stability of the global resource market, continued to improve the conflict mineral management system, reduced potential conflict mineral risks by optimizing internal management and strengthening supplier supervision.The Company has formulated institutional documents such as *Measures for Conflict Minerals Management*, *Conflict Minerals Management Policy Statement* and *Conflict Mineral Management Regulations*. These documents require suppliers at risk of conflict minerals to complete relevant declarations using the "Conflict Minerals Reporting Template" (CMRT) issued by the Responsible Minerals Initiative (RMI). This enhances the accuracy and effectiveness of conflict minerals management,

avoids the use of raw materials mined in areas of armed conflict and human rights violations, reduces social instability and humanitarian issues in conflict zones, and makes a positive contribution to maintaining the compliance of the global supply chain. In 2024, Fuyao Glass identified a total of 17 suppliers that may be involved in conflict minerals based on processes and materials, and required them to fill in CMRT reports. Among them, 100% of the suppliers submitted conflict mineral reports. After analysis, the suppliers' products were all purchased from compliant smelters in China, the United States, and other countries. All suppliers' smelters were recognized by RMI, and there were no conflict minerals.

### Conflict Mineral Risk Identification Process at Fuyao Glass



### Conflict Mineral Management System at Fuyao Glass

- Set up conflict mineral management procedures, including risk analysis, due diligence, supervision methods and exception handling processes
- Take conflict mineral control as one of the basis for supplier selection, and audit conflict mineral control of new suppliers on site
- Conduct conflict mineral control training for purchasers and suppliers, so that suppliers and purchasers can timely understand Fuyao's policy and control methods on conflict mineral control
- Increase the requirements of conflict minerals in purchase agreements, and work with suppliers in the supply chain to resist the use of conflict minerals
- Establish a supervision mechanism for conflict minerals, and provide supervision contact information in the Conflict Mineral Policy Statement published on the Company's official website



## Supplier Empowerment

Fuyao Glass keeps promoting communication and cooperation with suppliers, and focuses on creating a stable partnership and a win-win cooperation environment, so as to enhance the sustainability of the supply chain. The Company has established diversified communication channels including SRM<sup>18</sup> systems, communication and counseling, regular visits, WeChat management groups, etc. Suppliers are managed according to their regional affiliations, with each supplier assigned a dedicated SQE for communication and coordination. This ensures rapid and accurate information transfer across all supply chain segments, facilitating a better understanding of market demands, inventory status, production progress, and other relevant information. This approach improves supply chain management efficiency and supports business decision-making. In 2024, Fuyao Glass organized and held a high-level communication meeting for core accessory suppliers to inform the supply quality and delivery status of accessory materials, encourage suppliers to keep up with the development pace of Fuyao Glass, and implement the requirements of quality improvement and delivery guarantee. Besides, a mechanism for regularly inviting suppliers with outstanding performance in quality, delivery, and cost management to share excellent cases was confirmed to promote and assist the rapid growth of the supply chain.

To promote the diversified capacity building of suppliers, Fuyao Glass has established the "Green Management Promotion Award" and the "Lean Innovation Award" to commend suppliers with outstanding performance in green and sustainable management,

innovative development, etc. These recognitions are publicly announced in the electronic publication "Fuyao People". In 2024, Fuyao Glass adopted incentive policies such as increasing supply share and shortening the payment period for suppliers who won outstanding awards in 2023.

To ensure that suppliers' capabilities meet the Company's business needs and quality standards, Fuyao Glass actively carries out supplier capacity-building work, provides diversified training for suppliers through online and offline channels, improves suppliers' professional level and skills, helps them understand market dynamics and regulatory trends, promoted more efficient cooperation models, and empowered suppliers to develop in an all-round way. In 2024, the Company organized a series of training courses for suppliers on project management, supply delivery assurance, change management, document authenticity assurance, attachment development and PPAP<sup>19</sup> approval process, supplier development performance, supplier management manual, and customer special requirements. The Company also arranged a consultant support team to promote the supplier lean activities. In addition, in 2024, the Company launched an advocacy for suppliers to carry out the "Month of Quality" activity. During the activity, suppliers were organized to carry out more than 170 activities such as training, knowledge competitions, skills competitions, case sharing, and quality evaluation, and the suppliers with good performance in the "Quality Month" promotion period were commended.



<sup>18</sup> SRM: Supplier Relationship Management.

<sup>19</sup> PPAP: Production Part Approval Process.

## Working Together to Advance the Industry

As a leader in the industry, Fuyao Glass consistently adheres to the concept of open cooperation, actively builds an industry communication platform, continuously deepened school-enterprise cooperation, kept promoting information sharing and technological innovation, and made contributions to the continued prosperity and progress of the entire industry.

## Industry Communication

While ensuring the development of the enterprise, Fuyao Glass actively sets an industry model, carries out cooperation and communication between enterprises, gives full play to the advantages of all parties, improves resource utilization efficiency, develops complementary advantages and win-win cooperation, and empowers the high-quality development of the industry.

### Fuyao Glass signed a comprehensive scientific and technological cooperation agreement with Inovance

In 2024, Fuyao Glass signed a comprehensive scientific and technological cooperation agreement with Inovance. At present, the "electrification, networking, intelligence and sharing" of automobiles has become the development trend of the automobile industry. The new development of diversified demand and structural optimization in the automobile market has led to the integration of more and more new technologies into automobile glass, which puts forward new requirements for automobile glass and also provides new opportunities for the automobile glass industry. Fuyao Glass will join hands with Inovance to further strengthen original and leading technological research on equipment automation and digital energy management, promote technological innovation in glass equipment, and keep pursuing high-end, green, and digital development.



Fuyao Glass Signed a Comprehensive Scientific and Technological Cooperation Agreement with Inovance

Fuyao Glass's digital intelligence empowerment stimulated new quality productive forces

In the context of digital transformation promoting high-quality development, Fuyao Glass has implemented six major projects, namely, intelligent management, intelligent design, intelligent production scheduling, intelligent detection, intelligent production and intelligent services through the deep integration of data and AI. In 2024, the Company successively launched key systems such as project value chain management and control visualization, EHR digital improvement, and contract closed-loop management data center, and built a top-level design of "strict control, thorough grasp, and clear vision" to achieve digital empowerment of the entire process of enterprise resource management.

During the reporting, intelligent design, intelligent production scheduling, and intelligent detection stimulated new quality productive forces, and digital intelligence embedding enabled the production line to reduce labor costs. The project to improve the production efficiency of the production line was steadily advanced, which is to be launched in 2025. The intelligent design system utilized the massive data of 480,000 factory numbers accumulated in Fuyao's 30 years of digital transformation to design smarter and higher-quality products; The intelligent production scheduling system focused on building a global production operation center to help customers accurately grasp delivery and quality dynamics; Intelligent detection system relied on the annual quality data of 300 million glass production to ensure the optimal delivery of products.

In terms of intelligent services, ARG's domestic dealer operation and management platform has been officially put into use, providing a convenient one-click service platform for dealers in ten major areas and thousands of stores. Each subsidiary of Fuyao Group has completed the upgrade of MES equipment interconnection system, adding digital wings to intelligent production.



Fuyao Glass's Digital Intelligence Empowered Production

## School-Enterprise Cooperation

Fuyao Glass continues to deepen school-enterprise cooperation and formulates the *School-Enterprise Cooperation Management and Intern Management Regulations*, which standardizes school-enterprise cooperation methods and intern management methods. The Company realizes the complementary advantages of educational resources and enterprise resources by establishing practice bases and aims to cultivate compound talents with both theoretical knowledge and practical ability.

In 2024, Fuyao Glass established cooperative relationships with a total of 21 universities for joint talent cultivation and employment and provided students with the opportunity to know the forefront of the industry and master professional skills by holding professional lectures, setting up Fuyao industry-university classes, and establishing practice bases, promoted the deep integration of Industry-University-Research, and helped colleges and universities cultivate talents. In addition, the Company cooperated with five universities to carry out scholarship programs, with a total amount of 230,000 yuan.

"Fuyao Industry-College Class" at Ningde Normal University

In 2024, Fuyao Glass and Ningde Normal University collaborated to establish the "Fuyao Industry-College Class", offering courses related to Fuyao Glass for junior-year students. The program comprises 40 hours of lectures delivered by instructors from the Company on topics such as Fuyao products, lean production, and career planning. Students are offered internships at the Company during their senior year, enabling them to integrate quickly into the workplace and gain a profound understanding of industry knowledge through hands-on learning in fundamental and critical roles. This structured approach cultivates a pool of high-quality professionals for Fuyao Glass, thereby achieving a meaningful integration of education and industry.



"Fuyao Industry-College Class" at Ningde Normal University

Giving Back to Society

Fuyao Glass not only leads the market with excellent quality but also actively participates in public welfare undertakings with a high sense of social responsibility. It interprets the temperature and responsibility of the enterprise with practical actions. It takes responsibility and strives to create a harmonious society in the name of glass.

## Philanthropy and Charitable Acts

Fuyao Glass shoulders a sense of mission and responsibility, actively participates in many public welfare fields such as education, poverty alleviation, agricultural assistance and volunteer activities, and takes social responsibility with practical actions. In addition, the chairman of Fuyao Glass donated to establish Heren Charity Foundation, which is the first and only national non-public offering foundation in China approved by the State Council and established with financial assets (stocks), aiming at promoting the development of social welfare undertakings in an all-round way and boosting social harmony and progress.

In 2024, Fuyao Glass made contributions to society as follows		
The amount of social welfare donations by Fuyao Glass was	The volunteer service time was	The number of people benefiting from public welfare activities was
3.28million yuan	1,039hours	120,000
The investment of rural revitalization was <sup>20</sup>	The amount of social welfare donations by Heren Charity Foundation was	
6.37million yuan	543.10million yuan	

Chairman Cho Tak Wong was named China Philanthropist of the Year

On March 28, 2024, the 8th China Public Welfare Annual Conference hosted by *China Philanthropy Times* was held in Beijing. Chairman Cho Tak Wong, won the title of China Philanthropist of the Year. Chairman Cho Tak Wong has always followed the behavioral tenet of "Respecting the Heaven and Loving the People" and adhered to the commercial culture of "Benevolence and Benefits". He has donated a total of 20 billion yuan to fund nearly 300 charitable projects since 1983.



Certificate of China Philanthropist of the Year

<sup>20</sup> The data includes 6.00 million RMB invested in the rural revitalization project of the Heren Charity Foundation and 0.373 million RMB invested in the rural revitalization project of Fuyao Group.



## Fuyao University of Science and Technology-Exploring a new model of "public welfare fund-based school running"

In 2024, Fuyao University of Science and Technology (tentative name), initiated by Cao Dewang, Chairman of the Board of Directors of Fuyao Group, and founded by the Heren Charity Foundation with an initial donation of 10 billion yuan, was fully completed. Fuyao University of Science and Technology is a non-profit public welfare university, privately run under state ownership, which is committed to developing high-level science and engineering research and international vision, aiming at providing high-quality undergraduate and postgraduate education to cultivate more international professionals with innovative ability.

In September 2024, Fuzhou Fuyao Institute for Advanced Study, the main unit preparing for the establishment of Fuyao University of Science and Technology, fully launched nationwide recruitment, including teaching and research teachers and full-time scientific research teachers, covering 6 colleges, 1 basic teaching department, 4 administrative departments, as well as key departments such as the library and the museum. On January 13, 2025, the management network of the Ministry of Education officially released the *Announcement on the Proposed Agreement to Establish Undergraduate Colleges and Universities*, among which Fujian Fuyao University of Science and Technology was listed, becoming the only private university of the 14 colleges announced this time.



Aerial View of Fuyao University of Science and Technology

## "Our Festival - Arbor Day" Themed Activity at Suzhou Automobile Glass

On March 12, 2024, Suzhou Automobile Glass organized a themed activity "Our Festival - Arbor Day" in its living area. This initiative involved management and staff working together to perform various tasks such as shoveling, planting trees, adding soil, and watering. A total of 72 saplings were successfully planted, contributing to environmental beautification while simultaneously raising employees' awareness of environmental protection and teamwork.



on Arbor Day at Suzhou Automobile Glass

## Social Impact

Fuyao Glass has demonstrated extraordinary social influence around the world with its outstanding professional achievements and extensive social contributions. As an industry leader, Fuyao Glass not only promotes the innovation and progress of automobile glass manufacturing technology, but also has a far-reaching and positive influence in multiple dimensions such as economy, environment, and society. In 2024, despite the complex and severe economic environment, the Company firmly bucked the trend and invested nearly 10 billion yuan to build factories in Hefei, Anhui, Fuzhou, Fujian, and Kecskemet, Hungary. Phase II of the US factory was expanded, and it is expected that 5,588 new staff will be added.

### Chairman Cho Tak Wong attended the 70th-anniversary commemorative meeting of the Five Principles of Peaceful Coexistence

On the morning of June 28, 2024, a grand commemorative meeting was held in the Great Hall of the People in Beijing to commemorate the 70th anniversary of the publication of the Five Principles of Peaceful Coexistence. Premier Li Qiang of the State Council chaired the meeting. President Xi Jinping attended the meeting and delivered an important speech. Many domestic and foreign dignitaries, experts and scholars, friendly people and media representatives were also invited. Chairman Cho Tak Wong attended the grand meeting as an invited guest.

In an interview with Chinese and foreign media, Chairman Cho Tak Wong made it clear that China and the United States have close economic ties and will not and should not be decoupled. He called on both sides to strengthen communication and eliminate misunderstandings, and for enterprises to treat overseas investment rationally. In addition, Chairman Cho Tak Wong spoke at the theme forum "From the Five Principles of Peaceful Coexistence to Building a Community with a Shared Future for Mankind: Building a Prosperous World with Chinese-style Modernization", elaborating on the importance of the Five Principles of Peaceful Coexistence to China's reform and opening up, emphasizing the economic complementarity of China and the United States, and putting forward the view of promoting the friendly development of Sino-US relations on the basis of mutual understanding and support.

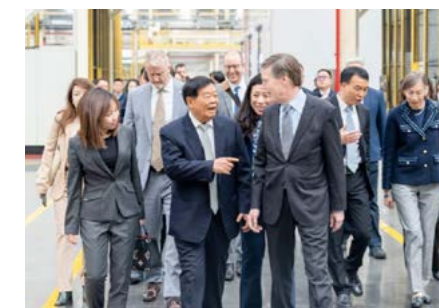


Photo of Chairman Cho Tak Wong Attending the Meeting

### U.S. Ambassador to China Burns and other diplomatic envoys to China visited Fuyao Glass

During March 19 – March 21, 2024, U.S. Ambassador to China Nicholas Burns and other diplomatic envoys to China visited Fuyao Glass, had in-depth communication with Chairman Cho Tak Wong on economic, trade and educational issues, and inspected Fuqing Green Smart Factory. Burns said that he admired Chairman Cho Tak Wong's efforts in the automobile glass industry. Fuyao Glass's investment in the United States directly created more than 3,000 local jobs. He highly recognized Fuyao Glass's positive contributions to Sino-US economic and trade relations.

In 2024, as Fuyao Glass kept expanding its capacity and increasing efficiency, its international influences expanded, attracting the attention of many foreign envoys to China. Israeli Ambassador to China Pan Qirui, Japanese Consul General in Guangzhou Yoshiko Kijima, and Jana Ludwig, acting Consul General Jana LUDWIG of Germany in Guangzhou, and other celebrities visited the Company one after another to convey their willingness to strengthen cooperation and communication and jointly promote the development of automobile industry.



Chairman Cho Tak Wong Received Visits of U.S. Ambassador to China Burns and Other Diplomatic Envoys to China



# Future Outlook

In 2024, the Shanghai Stock Exchange, Shenzhen Stock Exchange, and Beijing Stock Exchange officially released the *Guidelines on Self-Regulation of Listed Companies – Sustainability Report*, and the Hong Kong Stock Exchange released the *New Climate Requirements*. In the same year, the 29th meeting of the 29th session of the *Conference of the Parties (COP29) to the United Nations Framework Convention on Climate Change* was successfully held, and remarkable results were achieved in the global carbon market mechanism and climate financing goals. In the context of increasing concern of all parties for sustainable development, Fuyao Glass has always adhered to the development concept of righteousness and benefit complementing each other and made contributions to the sustainable development of the Company and society through practical actions.

In 2024, China's new energy vehicle sales exceeded 40% of the total vehicle sales for the first time, and the development direction of intelligent, lightweight, and green automobile glass became clearer. In the context of industry development, the Company has always been committed to technological innovation and product upgrading, grasping the green development opportunities of the industry, and consolidating the Company's leading position in the automobile glass market.

Looking forward to 2025, the global economy still faces many uncertainties, and factors such as geopolitics, industrial chain reshaping, and energy price fluctuations may bring challenges to the market. Meanwhile, the accelerated electrification, intelligence, and low-carbon transformation of the global automobile industry will also bring new opportunities and challenges. We will continue to give full play to our advantages, deepen our global layout, strengthen our ability to resist risks, and give back to the market with higher quality products and better services. We will continue to adhere to the concept of sustainable development, improve green manufacturing capabilities, actively fulfill social responsibilities, and move forward steadily in the transformation of the global automobile industry.



# Appendices

## HKEx Indexes

Environmental, Social and Governance Indexes			Disclosure Location
Environment	A1 Emissions	General Disclosure: Information on: (a) 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.	P76-P79
		A1.1 The types of emissions and respective emissions data.	P65
		A1.2 Total greenhouse gas emission (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P65
		A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P65
		A1.4 Description of emissions target(s) set and steps taken to achieve them.	P65-P67
		A1.5 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	P66
	A2 Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.	P68-P75
		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).	P70
		A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P72
		A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	P68-P71
		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.	P72-P73
		A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	P74
	A3 Environment and Natural Resources	General Disclosure: Policies on minimising the issuer's significant impact on the environment and natural resources.	P68-P74
		A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P68-P75
Society	B1 Employment	General Disclosure: Information on: (a) 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
		B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	P45
		B1.2 Employee turnover rate by gender, age group and geographical region.	P46
	B2 Health and Safety	General Disclosure: Information on: (a) 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.	P54
		B2.1 Number and rate of work-related fatalities in each of the past three years (including the reporting year).	P55
		B2.2 Lost days due to work injury.	P55
		B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P58-P59

Environmental, Social and Governance Indexes			Disclosure Location
Society	B3 Development and Training	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	P52-P53
		B3.1 Percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P53
		B3.2 The average training hours completed per employee by gender and employee category.	P53
	B4 Labor Standards	General Disclosure: Information on: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	P46
		B4.1 Description of measures to review employment practices to avoid child and forced labour.	P46
		B4.2 Description of steps taken to eliminate such practices when discovered.	P46
	B5 Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain.	P86
		B5.1 Number of suppliers by geographical region.	P86
		B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	P86-P87
		B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P87-P89
		B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	P87-P89
	B6 Product Responsibility	General Disclosure: Information on: (a) 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.	P30
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	P35
		B6.2 Number of products and service related complaints received and how they are dealt with.	P35
		B6.3 Description of practices relating to observing and protecting intellectual property rights.	P40-P41
		B6.4 Description of quality assurance process and recall procedures.	P31
		B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	P36-P37
	B7 Anti-corruptio	General Disclosure: Information on: (a) 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.	P26-P27
		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.	P27
		B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	P26-P27
		B7.3 Description of anti-corruption training provided to directors and staff.	P27
	B8 Community Investment	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.	P92
		B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	P92-P94
		B8.2 Resources contributed (e.g. money or time) to the focus area.	P93

## SSE Indexes

Dimension	Number	Topic	Chapter Index
Environment	1	Climate change tackling	Addressing Climate Change
	2	Pollutant discharge	Strengthening Environmental Management
	3	Waste disposal	Strengthening Environmental Management
	4	Ecosystem and biodiversity protection	Strengthening Environmental Management, Addressing Climate Change
	5	Environmental compliance management	Strengthening Environmental Management
	6	Energy usage	Optimizing Resource Utilization
	7	Usage of water resources	Optimizing Resource Utilization
	8	Circular economy	Optimizing Resource Utilization
Society	9	Rural revitalization	Giving Back to Society
	10	Contributions to the society	Giving Back to Society
	11	Innovation-driven	Focusing on Product Innovation
	12	Ethics of science and technology	/
	13	Supply chain security	Perfecting Quality Management, Building a Responsible Supply Chain
	14	Equal treatment to small and medium-sized enterprises	Building a Responsible Supply Chain
	15	Safety and quality of products and services	Optimizing Customer Service, Perfecting Quality Management
	16	Data security and customer privacy protection	Optimizing Customer Service
	17	Employees	Safeguarding Employees' Rights and Interests, Supporting Employee Development, Ensuring Health and Safety
Sustainability-related governance	18	Due diligence	/
	19	Communications with stakeholders	Stakeholders Engagement
	20	Anti-commercial bribery and anti-corruption	Adherence to Business Ethics
	21	Anti-unfair competition	Adherence to Business Ethics

## SDGs Indexes

Sustainable Development Goals (SDGs)	Chapter Index
	Taking Collective Action and Becoming a Noteworthy Example in the Global Industry
	Taking Collective Action and Becoming a Noteworthy Example in the Global Industry
	Upholding Human Orientation and Becoming the Best Employer Trusted by Global Employees
	Upholding Human Orientation and Becoming the Best Employer Trusted by Global Employees
	Upholding Human Orientation and Becoming the Best Employer Trusted by Global Employees
	Going Green and Becoming a Safeguard of Global Ecological Environment
	Going Green and Becoming a Safeguard of Global Ecological Environment
	Adhering to Integrity Operation and Becoming a World-Renowned Trustworthy Brand Upholding Human Orientation and Becoming the Best Employer Trusted by Global Employees
	Prioritizing Quality and Becoming a Loyal Partner to Our Global Customers



Sustainable Development Goals (SDGs)	Chapter Index
	Upholding Human Orientation and Becoming the Best Employer Trusted by Global Employees
	Taking collective action and becoming a noteworthy example in the global industry
	Going Green and Becoming a Safeguard of Global Ecological Environment
	Going Green and Becoming a Safeguard of Global Ecological Environment
	/
	/
	Adhering to Integrity Operation and Becoming a World-Renowned Trustworthy Brand Taking Collective Action and Becoming a Noteworthy Example in the Global Industry
	Taking Collective Action and Becoming a Noteworthy Example in the Global Industry

## GRI Indexes

Statement	Fuyao Glass has reported the information cited in this GRI content index for the period of January 1, 2024 to December 31, 2024 with reference to the GRI Standards.	
Used GRI 1	GRI 1: Foundation 2021	

GRI Standards	Disclosure	Position
GRI 2: General Disclosure 2021	2-1 Organizational details	P6-P9
	2-2 Entities included in organizational sustainability reporting	P4
	2-3 Reporting period, frequency and contact point	P4-P5
	2-5 Restatements of information	P70, P72
	2-6 Activities, value chain and other business relationships	P6-P9
	2-7 Employees	P45
	2-8 Workers who are not employees	P45
	2-9 Governance structure and composition	P24
	2-10 Nomination and selection of the highest governance body	P24
	2-11 Chair of the highest governance body	P24
	2-12 Role of the highest governance body in overseeing the management of impacts	P2-P3
	2-13 Delegation of responsibility for managing impacts	P2-P3
	2-14 Role of the highest governance body in sustainability reporting	P2-P3
	2-15 Conflict of interest	P26
	2-16 Communication of critical concerns	P19
	2-17 Collective knowledge of the highest governance body	P24
	2-19 Remuneration policies	P24
	2-22 Statement on sustainable development strategy	P18
	2-23 Policy commitments	P18
	2-24 Embedding policy commitments	P18
	2-26 Mechanisms for seeking advice and raising concerns	P27
	2-27 Compliance with laws and regulations	P26
	2-28 Membership associations	/
	2-29 Approach to stakeholder engagement	/
	2-30 Collective bargaining agreements	/
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	P7
	201-2 Financial implications and other risks and opportunities due to climate change	P77-P78
GRI 203: Indirect Economic Impact 2016	203-1 Infrastructure investments and services supported	/
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	P26
	205-2 Communication and training on anti-corruption policies and procedures	P27
	205-3Confirmed incidents of corruption and actions taken	P27
GRI 301: Materials 2016	301-1 Materials used by weight or volume	P74
	301-2 Recycled input materials used	P74-P75

GRI Standards	Disclosure	Position
GRI 302: Energy 2016	302-1 Energy consumption within the organization	P70
	302-3 Energy intensity	P70
	302-4 Reduction of energy consumption	P68-P71
GRI 303: Water and and Effluents 2018	303-1 Interactions with water as a shared resource	P72-P73
	303-2 Management of water discharge-related impacts	P65-P66
	303-3 Water withdrawal	P72
	303-4 Water discharge	P72
	303-5 Water consumption	P72
GRI 101: Biodiversity 2024	101-4 Identification of biodiversity impacts	/
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	P81
	305-2 Energy indirect (Scope 2) GHG emissions	P81
	305-3 Other indirect (Scope 3) GHG emissions	P81
	305-4 GHG emission intensity	P81
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant gas emissions	P65
GRI 306: Waste 2020	306-3 Waste generated	P66
	306-4 Waste diverted from disposal	P66
	306-5 Waste directed to disposal	P66
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	P87
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	P45-P46
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	P50
GRI 403: Occupational Health and Safety 2018	403-1 Occupational safety and health management system	P54
	403-2 Hazard identification, risk assessment and accident investigation	P55
	403-3 Occupational health services	P58-P59
	403-4 Worker participation, consultation and communication related to occupational health and safety	P59
	403-5 Worker training on occupational health and safety	P56-P57
	403-6 Promotion of worker health	P59
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P58-P59
	403-8 Workers covered by an occupational health and safety management system	P59
	403-9 Work-related injuries	P59
	403-10 Work-related ill health	P59
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	P53
	404-2 Programs for upgrading employee skills and transition assistance programs	P52
	404-3 Percentage of employees receiving regular performance and career development reviews	P51
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	P24
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	P93
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	P87

# 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 *Fuyao Glass Industry Group Co., Ltd. 2024 Environmental, Social and Governance (ESG) Report* (hereinafter referred to as “the Report”). During this verification, TÜV SÜD’s verification team strictly abided by the contract signed with Fuyao Glass and provided verification regarding the Report in accordance with the provisions agreed by both parties and within the authorized scope stipulated in the contract.

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

### Scope of Verification

Time frame of this verification:

- ❖ The Report contains the data disclosed by Fuyao Glass during the reporting period from January 1<sup>st</sup>, 2024 to December 31<sup>st</sup>, 2024, including governance, environmental and social 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, China

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 January 1<sup>st</sup>, 2024 are beyond the scope of this verification.
- ❖ TÜV SÜD’s verification conclusions are based on the analysis of the data and information collected by TÜV SÜD and may not identify all problems and conditions, nor constitute a guarantee of the credibility or status of the subject of verification.

TÜV SÜD Certification and Testing  
(China) Co., Ltd. Shanghai Branch  
No.151 Heng Tong Road,  
Shanghai 200070

Page 1 of 3  
Tel: +86 21-61410123  
Fax: +86 21-61408600  
Web: www.tuvsud.com

ID: 252713 Revision: 2 - released Effective: 19 Dec 2024



Independent Verification Statement



Basis for the Verification

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

- ❖ AA1000AS v3, Type 2 Engagement and Moderate 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;
- ❖ 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 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 has identified the internal and external stakeholders such as shareholders and investors, employees, customers, suppliers, governments, and regulatory authorities, etc., and established a stakeholder communication mechanism to collect the demands of stakeholders on a regular basis.
Materiality	Fuyao Glass has established the prioritization process of material topics determination, identified and assessed the priority of the sustainability topics which are highly related to the industry, the Company disclosed the strategy, management approach as well as sustainability performance in corporate operation, therefore the Report's adherence to materiality principle is guaranteed.
Responsiveness	Fuyao Glass has disclosed the management approach and performance of high material topics that stakeholders concern, such as climate change, environmental management, recycling, and employee rights protection, etc., and has established a communication mechanism, to fully respond to the demands and expectations of stakeholders.
Impact	Fuyao Glass has established a Sustainability Committee to oversee, monitor, measure, and hold the Company accountable for its performance in environmental, social responsibility, and corporate governance. The committee integrates impact assessments into organizational governance and strategy, and establishes clear processes and mechanisms to measure and manage ESG-related risks and opportunities, ensuring the transparency and credibility of the Company's reporting.

Independent Verification Statement



Recommendations on Continuous Improvement

- It is recommended that the Company continues to implement the low-carbon development strategy, and more directly reflects the impact of climate change on the Company's business.

Statement on Independence and Verification Capability

TÜV SÜD is a trusted partner of choice for safety, security and sustainability solutions. It specializes in testing, certification, auditing and advisory services. Since 1866, the company 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. Through expert teams represented by more than 26,000 employees, it adds value to customers and partners by enabling market access and managing risks. By anticipating technological developments and facilitating change, TÜV SÜD inspires trust in a physical and digital world to create a safer and more sustainable future.

TÜV SÜD Certification and Testing (China) Co., Ltd. Shanghai Branch is one of TÜV SÜD's global branches and has an expert team whose members have professional background and rich industrial experiences.

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

Signature:

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

Zhu Wenjun  
TÜV SÜD Sustainability Authorized Signatory Officer  
Feb 24<sup>th</sup>, 2025  
Shanghai, China

Note: In case of any inconsistency or discrepancy, the simplified Chinese version "Independent Verification Statement CN" of this verification statement shall prevail, while the English translation is used for reference only.

# Reader Feedback Form

Dear Reader,

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 in relation to Fuyao Glass?

- ☐ Government
- ☐ Investor
- ☐ Employee
- ☐ Customer
- ☐ Supplier/Contractor
- ☐ 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?

- ☐ Very good
- ☐ Relatively Good
- ☐ Average
- ☐ Poor

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

- ☐ Very good
- ☐ Relatively Good
- ☐ Average
- ☐ Poor

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

- ☐ Very good
- ☐ Relatively Good
- ☐ Average
- ☐ Poor

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

- ☐ Very reasonable
- ☐ Relatively reasonable
- ☐ Average
- ☐ Relatively unreasonable

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

- ☐ Very good
- ☐ Relatively Good
- ☐ Average
- ☐ Poor

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

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

Tel: (86-591) 8536-3983

Fax: (86-591) 8538-3777

E-mail: 600660@fuyao group.com

Address: Zone II, Fuyao Industrial Park, Fuqing City, Fujian Province, China

Postal Code: 350301



Tel: (86-591) 8538-3777

Fax: (86-591) 8536-3983

Address: Zone II, Fuyao Industrial Park, Fuqing City, Fujian Province, China