



2024

Flat Glass Group Co., Ltd.  
ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT

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# About This Report

This report is the 9th Environmental, Social and Governance (ESG) Report of Flat Glass Group Co., Ltd. , aiming to disclose the Company's concepts, well-established management methods, efforts implementation and achievements in relation to ESG issues during the course of operation to investors and other stakeholders.

## Basis for Preparation

This report is prepared in accordance with Standards for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 2 - Contents and Formats of Annual Reports (2021 Revision) (Chapter 5 Environment and Social Responsibility) issued by the China Securities Regulatory Commission, the Guidelines No. 1 for the Application of Self-regulatory Rules of Companies Listed on the Shanghai Stock Exchange - Standard Operation issued by the Shanghai Stock Exchange (the "SSE") (amended on December 2023), the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies — Sustainability Report (Trial)(the "Sustainability Report Guidelines"),the Environmental, Social and Governance Reporting Code (effective from 1 January 2025 ) issued by the Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange").

## Reporting Boundary

**Organization scope:** This report covers the scope of Flat Glass Group Co., Ltd. and its subsidiaries ( the "Company", "Flat Glass" and "Flat"), which is consistent with scope of the consolidated financial statements of the Company for the same period, unless otherwise specified.

**Time scope:** The information published in this report is for the period from 1 January 2024 to 31 December 2024. Unless otherwise specified, the data in this report are the data during such period. Certain statements and data may be traced back to previous years as appropriate.

## Source of Data

The data and information mentioned in the report are derived from formal records of the Company during actual operations.

Financial data in the report are denominated RMB. Should any inconsistency between financial data herein and the annual financial report of the Company, the annual report of the Company shall prevail.

## Reporting Principles

### Materiality

The Company identified the material issues related to the operation concerned by stakeholders as the focus of this report. While reporting material issues, this report also focuses on the industry characteristics and regional characteristic involved in the Company's operation. See the "Materiality Assessment of ESG Issues" section of this report for the analysis process and results of the material issues.

### Accuracy

This report ensures that the information is as accurate as possible. In particular, the measurement of quantitative information has been stated in terms of data caliber, calculation basis and assumptions to ensure that the margin of error in the calculation is not misleading to users of the information. The quantitative information and the accompanying information are detailed in the section headed the "ESG Data Tables and Notes" of this report. The Board guarantees that the contents of this report do not contain false statements, misleading statements or material omissions in material respects.

### Balance

The contents of this report gave a view of the objective facts and disclosed the positive and negative information of the Company impartially. During the reporting period, the Company found no negative events that should have been disclosed but were not disclosed during the reporting period.

### Clarity

This report is published in simplified Chinese, traditional Chinese and English. This report contains tables, model diagrams, and a glossary of terminology as an aid to understanding the textual content of this report. To facilitate quicker access to information for stakeholders, this report provides a table of contents and benchmarking index tables for ESG standards.

### Quantitative

This report disclosed key quantitative data. See the "ESG Data Tables and Notes" section of this report for details.

### Comparative

The statistics and disclosure of same metrics in this Report are consistent in different reporting periods. If there are any change to the data collection, measurement and calculation methods, the retrospective adjustments shall be made to the relevant data. Any change will be fully explained in the notes to this Report so that stakeholders can conduct meaningful analyses and assess the trend of the Company's ESG performance level.

### Integrity

The scope of disclosures in this report is consistent with the scope of the consolidated financial statements of the Company.

### Timeliness

This is an annual report covering the period from 1 January 2024 to 31 December 2024. Unless otherwise stated, the data in the Report covers this period.The Company strives to publish the report as soon as possible after the end of the reporting year to provide timely information for stakeholders' decision-making.

### Verifiability

The cases and data in this report are derived from the original records or financial reports of actual operations of the Company.The source of the disclosed data and the calculation process are traceable.



# ESG Performance Highlights

## Economic Performance

Revenue  
**RMB 18,682.60 million**

Net asset per share  
**RMB 9.30**

Total profit  
**RMB 1,128.51 million**

Social contribution value per share  
**RMB 1.29**

Note: Social contribution value per share = basic earnings per share + (total tax payments + total employee wages and benefits paid by the company + interest on borrowings from banks and other creditors + value created for other stakeholders such as donations - other social costs due to environmental pollution, etc.) / total number of shares issued by the company.

## Social Performance

Total employees **7,898**  
 Male employees **Approximately 73.15%**  
 Female employees **Approximately 26.85%**

Investment in public welfare  
**RMB 1,661.4 thousand**

Participation in volunteer activities  
**640 hours**

## Environmental Performance

Total energy consumption per unit of revenue  
**9.70 MWh/RMB'0,000**

Water consumption per unit revenue  
**6.07 m<sup>3</sup>/RMB'0,000**

Greenhouse gas (GHG) emissions per unit of revenue (Scope 1 and Scope 2)  
**3.12 tCO<sub>2</sub>e/RMB'0,000**

Non-hazardous waste generated per unit of revenue  
**15.73 kg/RMB'0,000**

Hazardous waste generated per unit of revenue  
**0.31 kg/RMB'0,000**





## About Flat Glass

Founded in 1998, Flat Glass is a world-renowned large-size glass group integrating research and development (R&D), manufacturing and sale. Dedicating to the green photovoltaic (PV) new energy field, Flat Glass is also one of the world's largest PV glass manufacturers. The Company was listed on the Hong Kong Stock Exchange in 2015 and on the main board of Shanghai Stock Exchange in 2019. The Company is the first A+H shares dual listing company in Jiaxing.

Since its inception, Flat Glass has built a diversified product system consisting of its core product of PV glass, as well as high-quality float glass, energy-saving glass, and household glass. Adhering to the concept of "Future of Fusion and Creation", the Company links the upstream and downstream, laying out quartzite mining and solar PV power station construction. Though extending, strengthening and supplementing the industry chain, the Company provides one-stop PV new energy solutions for customers both domestically and abroad. By effectively promoting the transition and upgrading of the global PV industry structure and the low-carbon process, the Company jointly creates a green community in the world.

**Year of establishment**  
**1998**

**Company name**  
Flat Glass Group Co., Ltd.

**Ownership and legal form**  
Listed on the Shanghai Stock Exchange (stock code: 601865)  
Listed on the Hong Kong Stock Exchange (stock code: 06865)

**Principal products and businesses**  
Four principal products including PV glass, float glass, energy-saving glass, and household glass, as well as construction of solar PV power station and quartzite mining

**Principal places of operation**  
Jiaxing of Zhejiang Province, Chuzhou of Anhui Province, and Nantong of Jiangsu in China; and Vietnam

**Headquarters**  
**Jiaxing, Zhejiang, China**

**Flat Glass ranks 109th in the list of 2024 Global Top 500 New Energy Enterprises, up 27 places from 2023.**

### Manufacturing bases of Flat Glass

Name	Location	Principal products
Flat Glass Group Co., Ltd.	Jiaxing, Zhejiang	PV glass   Float glass   Energy-saving glass
Anhui Flat Solar Glass Co., Ltd.	Chuzhou, Anhui	PV glass
Zhejiang Jiafu Glass Co., Ltd.	Jiaxing, Zhejiang	PV glass
Flat (Vietnam) Company Limited	Haiphong, Vietnam	PV glass
Zhejiang Flat Glass Co., Ltd.	Jiaxing, Zhejiang	Household glass

### Main products and application areas of Flat Glass

Product categories	PV glass	Float glass	Energy-saving glass	Household glass
Application areas and products	PV glass is mainly used as encapsulated panel and backplane glass for crystalline silicon PV modules.	Float glass is the the substrate glass of energy-saving glass, household glass and other glass deep-processing products. It is mainly used to produce energy-saving glass and household glass.	Energy-saving glass mainly includes Low-E glass, laminated glass, energy-saving insulating glass, etc. It is mainly used in the field of construction engineering.	Household glass mainly includes environmental-friendly mirror and tempered glass, paint glass, etc. It is mainly used in the fields of indoor and outdoor household goods, home appliances and decoration.



Honors and recognitions of Flat Glass in 2024

Rating & awarding institutions	Honors & recognitions
Flat Glass Group Co., Ltd.	
MSCI ESG Ratings	BBB (domestic industry-leading )
Economy and Information Technology Department of Zhejiang	Typical Cases of Green and Low-Carbon Manufacturing in Zhejiang Province
Department of Commerce of Zhejiang Province	Zhejiang Export Famous Brand
Zhejiang Provincial Administration for Market Supervision	Zhejiang Province AAA Grade "abide by the Contract and Credit" Enterprise
Anhui Flat Solar Glass Co., Ltd.	
Anhui Enterprises Association, Anhui Entrepreneurs Association	2024 Top 100 Enterprises in Anhui Province
Anhui Enterprises Association, Anhui Entrepreneurs Association	2024 Top 100 Manufacturing Enterprises in Anhui Province



## Materiality Assessment of ESG Issues

### Procedures of Materiality Analysis of Issues

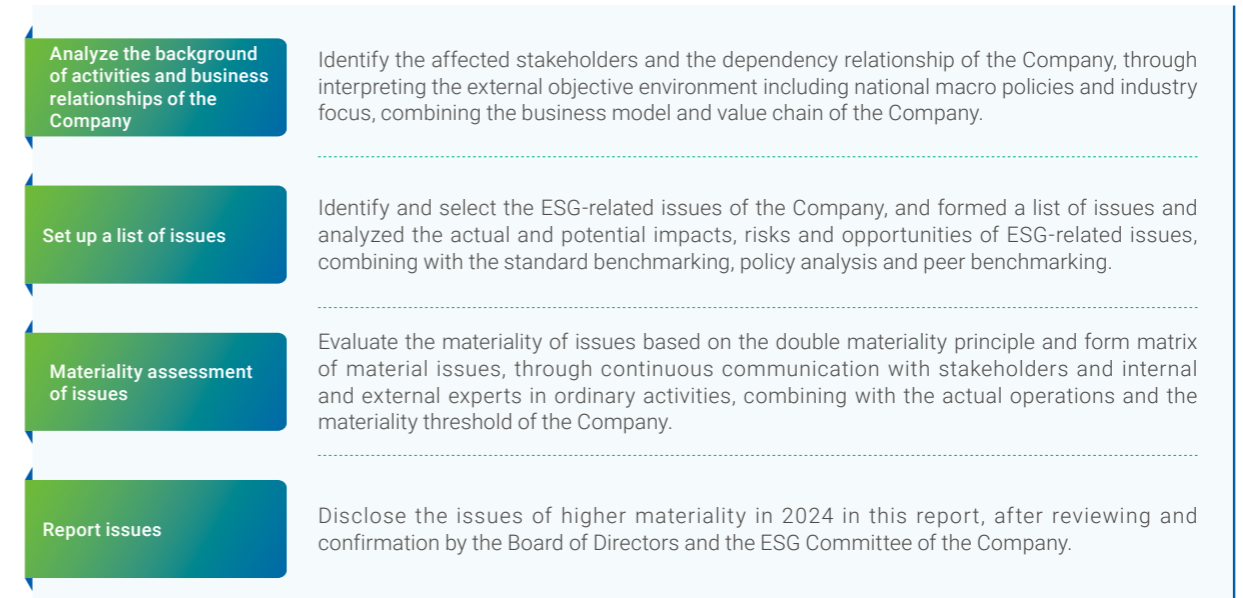
The Company carries out the identification, assessment, ranking and reporting of material issues combining with the industry development trend and its own development strategy, with reference to the latest requirements of sustainable development / ESG reporting standards both domestically and abroad.

In 2024, with reference to the Sustainability Reporting Guidelines of China Association for Public Companies, the Company carried out due diligence process, identifying and addressing the negative impacts or risks associated with sustainability during the report preparation. The Company also adjusted the factors considered during the materiality analysis on basis of the "double materiality" principle, highlighting the disclosure of the management and performance of ESG issues of high materiality in this report.

Factors considered in materiality analysis of issues of Flat Glass in 2024

Aspects	Definition	Dimensions of materiality analysis	Materiality scoring and threshold
Impact materiality	Whether the performance of the Company on the corresponding issues will have a real or potential material impact on the economy, society and environment	<ul style="list-style-type: none"> <li>The probability of occurrence of impact</li> <li>The scale, scope, and irremediability of impact</li> </ul>	<ul style="list-style-type: none"> <li>Score range: 0-10 points</li> <li>Materiality threshold: 5 points or above</li> </ul>
Financial materiality	Whether the issues are expected to have a material impact on the business model, business operations, development strategy, financial position, operating results, cash flow, financing methods and costs of the Company in the short, medium or long term	<ul style="list-style-type: none"> <li>The probability of occurrence of the impact</li> <li>The extent of financial impact</li> </ul>	

Procedures of materiality analysis of issues of Flat Glass in 2024



## Stakeholder Communication

The Company always takes communication with stakeholders as an integral part of its operation and management. The Company establishes a normalized communication mechanism such as regular meeting and information disclosure for major stakeholders including shareholders and investors, government and regulatory agencies, customers (B2B), suppliers, employees, industry associations, communities and environment, and actively responds to their demands and expectations.

### Major stakeholders and communication of Flat Glass

Major stakeholders	Issues	Methods/ channels of communication
<b>Shareholders and investors</b>	<ul style="list-style-type: none"> <li>Compliance and risk management</li> <li>Corporate governance</li> <li>Business ethics and anti-corruption</li> <li>Innovation-driven</li> <li>Supply chain security</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders' General Meeting</li> <li>Information disclosure</li> <li>http://sns.sseinfo.com/</li> <li>Receive investors for survey</li> <li>Attend strategy meetings/ investor presentations</li> </ul>
<b>Governments and regulators</b>	<ul style="list-style-type: none"> <li>Compliance and risk management</li> <li>Business ethics and anti-corruption</li> <li>Climate change tackling</li> <li>Discharge and waste management</li> <li>Environmental management system</li> <li>Ecosystem and biodiversity protection</li> </ul>	<ul style="list-style-type: none"> <li>Compliance complaint platform of Flat Group</li> <li>Project cooperation</li> <li>Communication through meeting</li> <li>Supervision and inspection</li> </ul>
<b>Customers (B2B)</b>	<ul style="list-style-type: none"> <li>Product quality management</li> <li>Innovation-driven</li> <li>Information security and privacy protection</li> <li>Supply chain security</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction survey</li> <li>Customer visit</li> <li>Attending industry communication activities</li> <li>Technical supervision</li> <li>Safety inspection</li> <li>Industry-academia-research institutes collaboration</li> <li>Confidentiality mechanism</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Supply chain environmental and social risk management</li> <li>Business ethics and anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>Supplier evaluation and survey</li> <li>Supplier training</li> <li>Compliance complaint platform of Flat Group</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Employees' interests and benefits</li> <li>Employee training and development</li> <li>Production safety</li> </ul>	<ul style="list-style-type: none"> <li>Regular meeting</li> <li>Employee activity</li> <li>Complaints and feedback</li> <li>Occupational disease protection Safety production management</li> </ul>
<b>Industry associations</b>	<ul style="list-style-type: none"> <li>Innovation-driven</li> <li>Anti-unfair competition</li> </ul>	<ul style="list-style-type: none"> <li>Industry associations</li> <li>Industry-academia-research institutes collaboration</li> <li>Intellectual property management system</li> <li>Attending industry communication activities</li> </ul>
<b>Community and environment</b>	<ul style="list-style-type: none"> <li>Rural revitalization and public welfare activities</li> <li>Climate change tackling</li> <li>Discharge and waste management</li> <li>Environmental management system</li> <li>Energy management</li> <li>Water resources management</li> </ul>	<ul style="list-style-type: none"> <li>Rural revitalization and public welfare activities</li> <li>Volunteer service</li> <li>Identification of and responding to climate-related risks and opportunities</li> <li>Establish environmental management system</li> <li>Measures to conserve and utilize resources</li> <li>Measures to reduce the emissions of "three wastes"</li> </ul>

## Conclusion of Materiality Analysis of Issues

In 2024, combined with the standard benchmarking, policy analysis and peer benchmarking, the Company adjusted the issues in the previous year, identified and selected 19 issues, and formed a list of ESG issues. Among them, there are 6 issues in environmental dimension, 9 issues in social dimension and 4 issues in corporate governance dimension.

### List of issues of Flat Glass in 2024

**Environmental**

- Climate change tackling
- Discharge and waste management
- Environmental management system
- Energy management
- Water resources management
- Ecosystems and biodiversity protection

**Social**

- Product quality and customer management
- Innovation-driven
- Information security and privacy protection
- Employee rights and benefits
- Staff training and development
- Production safety
- Supply chain security
- Supply chain environmental and social risk management
- Rural revitalization and public welfare

**Governance**

- Corporate governance
- Business ethics and anti-corruption
- Compliance and risk management
- Anti-unfair competition

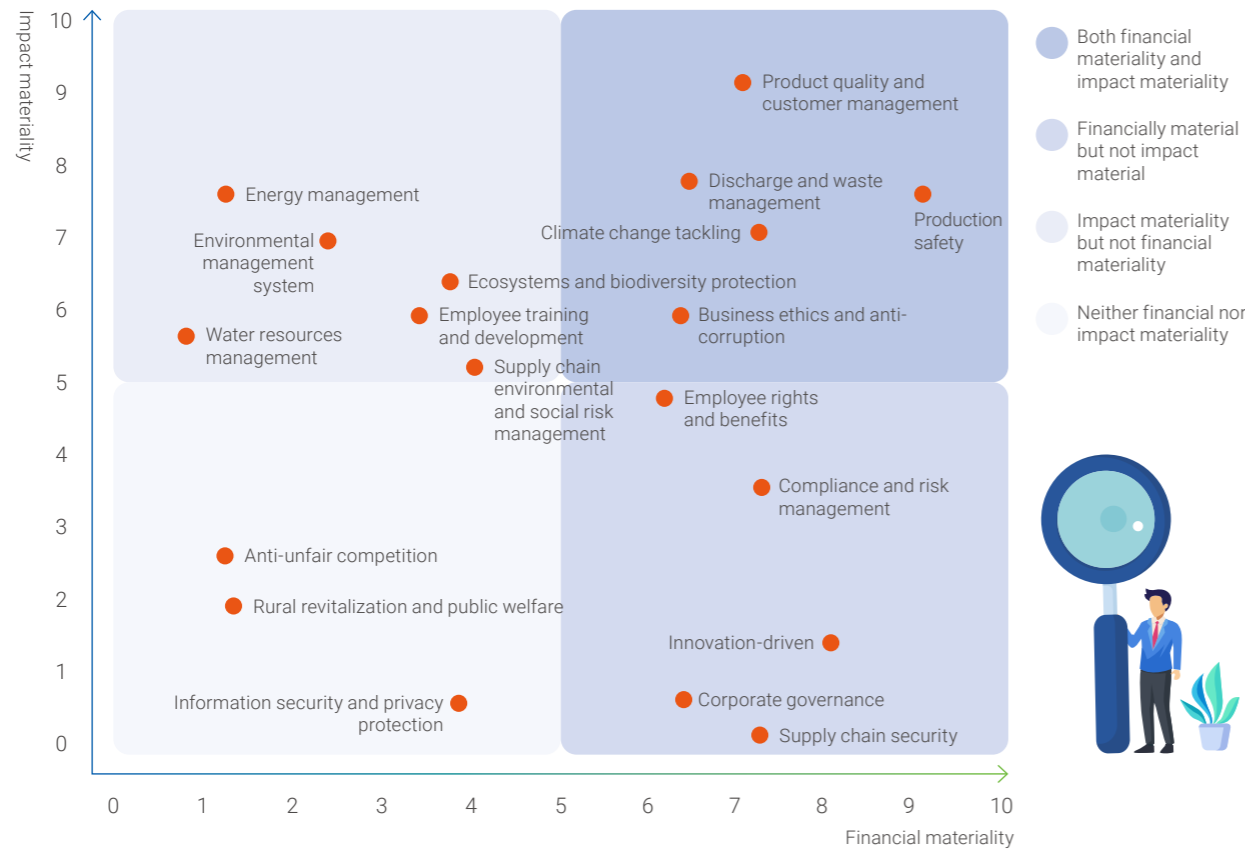
### Changes in material issues of Flat Glass in 2024

Material issues in 2024	Material issues in 2023	Changes	Reasons
Anti-unfair competition	Intellectual property protection	Extended the boundary of the issue	Based on the definitions of the issues in the Sustainability Reporting Guidance of the SSE and the Company's actual operations, the Company combined / adjusted the expressions on the basis of the existing issues, deepened the connotation of certain issues, so as to improve the consistency with the guiding issues.
Rural revitalization and public welfare	Public welfare and voluntary service	Extended the boundary of the issue	
Supply chain security	Material management	Adjusted the expression	
Supply chain environmental and social risk management	Supply chain management	Adjusted the expression	
Production safety	Occupational health and safety	Adjust the expression	
Product quality and customer management	Product quality management Customer service	Combined	
Innovation-driven	R&D innovation Clean technology opportunities	Combined	
Ecosystems and biodiversity protection	---	Added	

In recent years, the Company has been actively deploying the quartzite mining business in the upstream of the industrial chain. In this regard, the Company expanded the boundary of the existing issues to related businesses, and added this issue to respond to the concerns of stakeholders.

According to the analysis of internal and external experts of the Company, combined with materiality threshold set, out of 19 ESG issues of the Company, 5 issues are of double materiality, 5 issues are of only financial materiality, and 6 issues are of only influential materiality.

**Matrix of material issues of Flat Glass in 2024**



The Company's Board of Directors and ESG Committee have reviewed and confirmed the matrix of issues during the year. For the issues of financial materiality, the Company has analyzed and evaluated its risks and opportunities, and carried out key disclosures focusing on the four pillars: Governance; Strategy; Impact, Risk and Opportunity Management; Metrics and Targets.

**Analysis of risks and opportunities for the issues of financial materiality of Flat Glass**

Material issues	Major risks / opportunities	Impact time horizons <sup>1</sup>	Financial impacts	Corresponding chapters
Climate change tackling	Acute physical risks	Short term	Increased operating costs	Topic: Implement the Dual Carbon Action and Accelerate the Low-Carbon Transition-Climat change tackling
	Policy and legal risks	Medium and long term	Increased compliance costs	
	Market risks	Short, medium and long term	Decreased revenue	
	Market opportunities	Short, medium and long term	Increased revenue	
	Product and service opportunities	Short, medium and long term	Increased revenue	

<sup>1</sup> Impact time horizons are determined with reference to the Enterprise Sustainable Disclosure Guidelines-Basic Guidelines (Trial) issued by the Ministry of Finance and the actual operations of the Company. Short term means less than 1 year (inclusive of 1 year) after the end of the reporting period; medium-term means 1 to 5 years (inclusive of 5 years) after the end of the reporting period; long-term means more than 5 years after the end of the reporting period.

Material issues	Major risks / opportunities	Impact time horizons <sup>1</sup>	Financial impacts	Corresponding chapters
Innovation-driven	PV glass demand opportunities	Short, medium and long term	Increased revenue	Topic: Implement the Dual Carbon Action and Accelerate the Low-Carbon Transition-Clean Technology Innovation
	Market competition risk	Medium and long term	Decreased revenue	
Discharge and waste management	Risks of improper waste water management	Short, medium and long term	Increased compliance costs	Discharge and Waste Management
	Risks of improper waste gas management			
	Risks of improper waste management			
Product quality and customer management	Risks caused by changes to laws and regulations applicable to products and customer requirements	Medium and long term	Increased operating costs	Product Quality and Customer Management
	Risks caused by product quality of equipment, work fixtures and cutters	Short, medium and long term	Decreased revenue	
	After-sales risks of products	Short, medium or long term	Increased operating costs	
	Design failure risks during the design and development stage of the products	Medium and long term	Increased operating costs	
	Customer loss risks	Medium and long term	Decreased revenue	
	Supply chain shortage	Medium and long term	Increased operating costs	
Supply chain security	Price rise of key raw materials	Short, medium and long term	Increased operating costs	Supply Chain Management
	Suppliers sell shoddy goods for quality goods	Medium and long term	Increased operating costs	
	Suppliers occur environmental negative events	Medium and long term	Increased operating costs	
	Suppliers occur labor incidents	Medium and long term	Increased operating costs	
	Suppliers occur corruption incidents	Medium and long term	Increased operating costs	
	Supply chain security	Medium and long term	Increased operating costs	
Production safety	Safety production risks	Short term	Increased operating costs Decreased revenue	Safeguarding Employee Safety
	Human capital opportunity	Medium and long term	Increased revenue	Human Capital Management
Employee interests and benefits	Legal compliancerisks	Medium and long term	Increased compliance costs	
	Corporate reputation risks	Medium and long term	Decreased revenue	
	Board validity	Medium and long term	Increased compliance costs	Enhancing Corporate Governance
Board professionalism				
Board diversification				
Corporate governance	Board independence	Medium and long term	Increased compliance costs Decreased revenue	Enhancing Corporate Governance
	Violation of information disclosure			
Compliance and risk management	Insufficient protection of shareholders' interests	Medium and long term	Increased compliance costs Decreased revenue	Deepening Risk Management
	Labor compliance risk, intellectual property risk and other compliance risks			
Business ethics and anti-corruption	Internal corruption and bribery	Medium and long term	Increased compliance costs Decreased revenue	Adherence to Business Ethics
	Supplier bribery risk Corruption risk of procurement personnel			

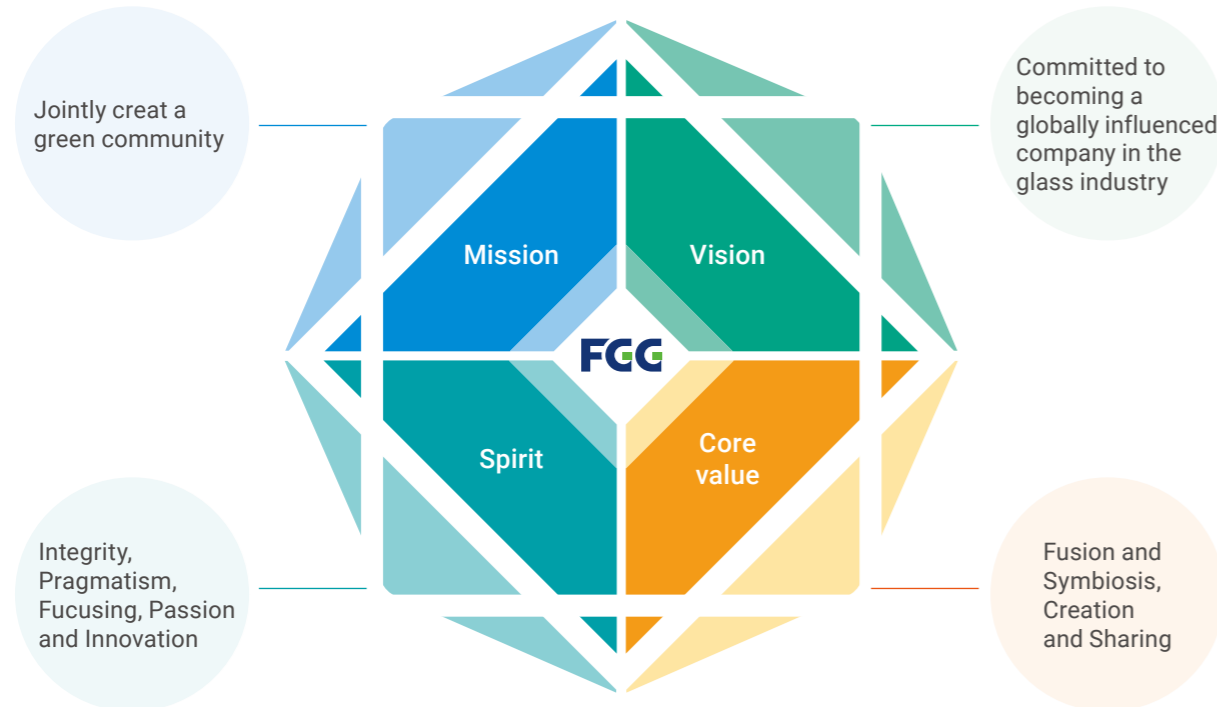




## ESG Management System

Flat Glass always sticks to the PV glass industry under the guidance of "Fusion and Creation Culture", makes breakthroughs in self-transformation and development, promotes the structural upgrading and the low-carbon process of the PV industry. Flat Glass is committed to becoming a globally impact enterprise in the glass industry, and contributes to the realization of global clean energy transition and goal of carbon neutrality.

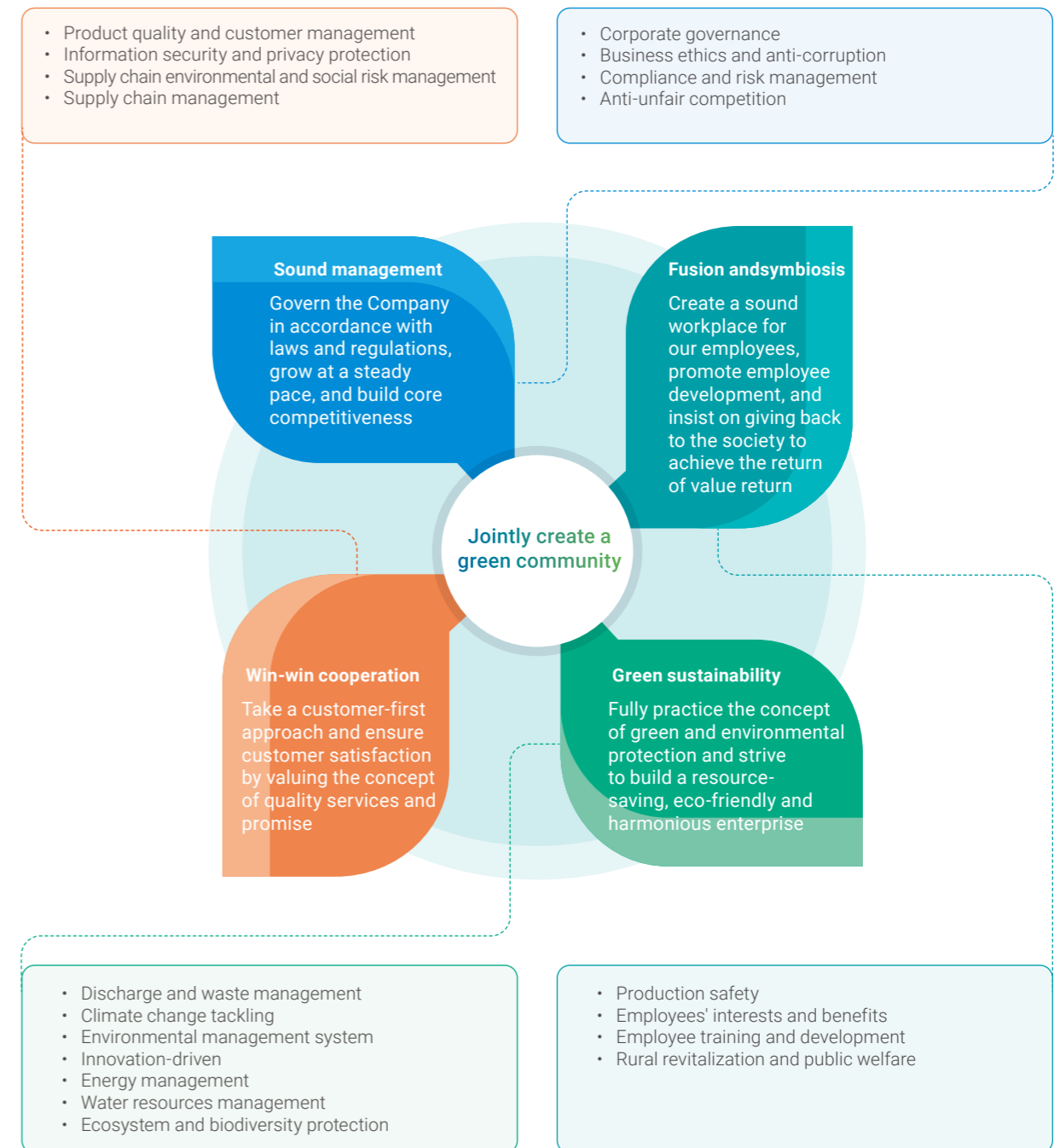
"Fusion and Creation Culture" of Flat Glass



## ESG Concept

Adhering to the mission of "to jointly create a green community", following the principles of sustainable development that integrates economic, environmental and social benefits, Flat Glass builds an ESG ecosystem of "sound management", "win-win cooperation", "green sustainability" and "fusion and symbiosis", jointly creating a green community in the world with the stakeholders.

ESG management model of Flat Glass



## ESG Management Structure

Flat Glass fully integrates ESG concept into strategies and daily operations of the Company. The Board of Directors supervises ESG matters in all respects and is responsible for the effectiveness of management, authorizes the management and its ESG committee to implement ESG management work, and promote the effective implementation of ESG work from top to bottom.

### ESG management structure of Flat Glass



In addition, the Company has adopted the core method of 6S management assessment<sup>2</sup>, and set up ESG-related assessment metrics including output, quality, cost, equipment management, safety and environmental protection in the performance and remuneration assessment of the management, so as to realize the ESG performance-linked remuneration.



### Statement of the Board of Directors on ESG management

The Company has rooted its ESG concept into corporate strategies and daily operations. While focusing on the impact of business activities of the Company on the economy, society and environment, the Company identifies and effectively manages ESG risks and opportunities that have a material impact on the business of the Company.

In 2024, the Company's Board of Directors and its committees considered ESG-related matters including corporate governance, information disclosure, employees' interests, compliance and risk control. The Board of Directors of the Company carried out an in-depth review of the identification and prioritization results of ESG material issues of the Company, actively promoting the effective implementation of ESG strategies. The Company also incorporated the progress of ESG goals into one of the important regular proposals of the Strategy Committee of the Board of Directors, so as to fully fulfill the supervisory responsibilities of the Board of Directors on ESG affairs.

In order to enhance its sustainable development ability, the Company has taken a series of specific measures in the fields of PV glass innovation, R&D, energy-saving and emission reduction. These practices not only enhance the competitive advantage of the principal businesses, but also provide a solid support for the long-term value growth of the Company. Through systematic ESG management and continuous improvement, the Company strives to achieve economic benefits, while actively fulfilling social responsibilities, protecting the natural environment and promoting the construction of a more sustainable future.

<sup>2</sup>6S management refers to the management of Seiri, Seiton, Seiso, Seiketsu, Shitsuke and Security of an enterprise.

## ESG Goals and Achievement

The Company has clearly planned its ESG development pathways. In early 2022, the Company issued four medium and long term ESG goals, and deployed an internal data monitoring system, which can track the progress of the monthly qualitative data and analyze the data trends for continuous improvement. In 2024, the Company took various measures including energy conservation and carbon reduction in operation, emission and waste reduction, treatment efficiency improvement, to steadily promote the achievement of its ESG goals.

### Four medium and long term ESG goals of Flat Glass



### Achievement of four goals of Flat Glass in 2024

Metrics	Unit	Performance of the baseline year (2021)	Goals for 2025	Achievement in 2024
Water consumption per unit revenue	m <sup>3</sup> /RMB'0,000	6.8	Down 3%	6.07 (Down 10.74% compared to the baseline year)
GHG emission per unit of revenue (Scope 1 and Scope 2) <sup>1</sup>	tCO <sub>2</sub> e/RMB'0,000	2.92	Down 10%	3.12 (Continuous progress)
Non-hazardous waste generated per unit of revenue	kg/RMB'0,000	--	Controlled at a lower level	15.73 (Achieved)
Hazardous waste generated per unit of revenue	kg/RMB'0,000	--	Controlled at a lower level	0.31 (Achieved)
Total energy consumption per unit of revenue	MWh/RMB'0,000	10.46	Down 10%	9.70 (Down 7.27% compared to the baseline year)

Note 1: Due to the decline in revenue, the Company experienced fluctuations in GHG emissions per unit of revenue in 2024. Placing clean technology innovation at the core of its strategy, the Company will continue to strengthen climate issue management to achieve long-term and stable reductions in greenhouse gas emissions.

Meanwhile, the Company set short term goals during daily management process of each material issue, which was in turn optimized under the guidance of such goals. Through the aggregation of the management efficiency of each issue, the Company formed a strong synergy to jointly promote the sustainable development of the Company, thus laying a solid foundation for the realization of long-term strategic goals. For details of the short term goals of each materiality issue, please refer to the chapters headed "Environmental", "Social" and "Governance".

# 01



## Environmental



# Environmental Protection for Clear Waters and Green Mountains

Flat Glass incorporates the concept of green development into its core business, and promotes the sustainable development of the PV industry through technological innovation and advanced manufacturing. The Company actively responds to climate risks, focuses on energy conservation and emission reduction and quality improvement, strictly controls emissions and waste, and adopts the mode of "mining while restoring" in the quartzite mining to protect and restore the ecological environment of mining area. The Company also accelerates the green and low-carbon transition of the industry, builds an efficient PV industry chain ecosystem, and continues to contribute to the global green development.

## Issues addressed in this chapter

-  Climate change tackling
-  Energy management
-  Innovation-driven
-  Environmental management system
-  Water resource management
-  Discharge and waste management
-  Ecosystem and biodiversity protection



## ★ Topic

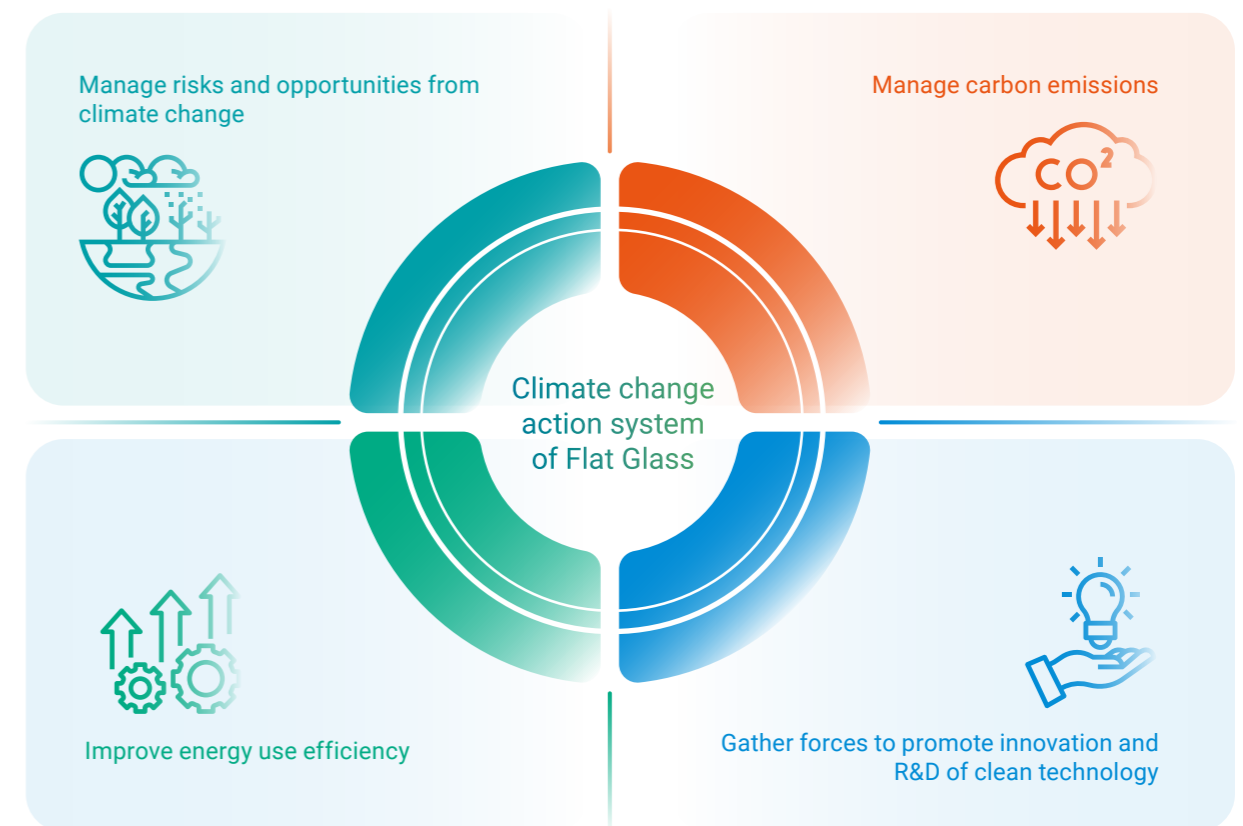


# Implement the Dual Carbon Action and Accelerate the Low-Carbon Transition

Climate change is one of the most severe environmental challenges facing the world today. In 2024, at the 29th United Nations Climate Change Conference (COP29), China and other parties to the United Nations Framework Convention on Climate Change reached the "Baku Climate Unity Pact", demonstrating the international community's determination to pool its efforts and join hands to address the climate crisis.

As a leader in the PV glass industry, Flat Glass continues to provide key auxiliary materials for crystalline silicon PV modules, improving the life of PV module and the cap of power generation performance with high quality glass.

Actively tackling the risks and opportunities from climate change, Flat Glass strengthens the energy management during production and operation, so as to mitigate the impact of climate. Focusing on the technological innovation of PV glass while adapting to the general trend of energy structure transition, Flat Glass strives to support the transition to a green and low-carbon economy and society, so as to achieve carbon peak and carbon neutrality through the "Flat Power".



## Climate change tackling

PV glass business has become a key revenue driver of the Company. While recognizing the far-reaching impact of climate change on corporate strategies and operations, the Company considers the management of risks and opportunities related to climate change as a core element of green value creation.

The Company has constructed a climate change management system, with reference to the proposed framework of the International Financial Reporting Standards Sustainability Disclosure Standard No. 2 - Climate-related Disclosures (IFRS S2) by the International Sustainability Standards Board (ISSB). While effectively managing risks and capturing opportunities from climate change, the Company continues to improve management and minimize carbon footprints generated during operations.

## Governance

Attaching high importance to the establishment of climate-related governance system, the Company has established a top-down and effective management structure in three levels including: supervision level, management level, and execution level.

### Climate governance structure of Flat Glass

Level	Department	Responsibilities and working mechanism
Supervision level	The Board of Directors	<ul style="list-style-type: none"> <li>Supervise the management and progress of climate change issues and review performance goals of annual carbon reduction.</li> <li>Regularly report the risks and opportunities related to climate change of the Company, including but not limited to the trend analysis of the PV industry and advice after consulting external professionals, to ensure timely understanding of the evolution of climate-related risks and opportunities over different time periods.</li> </ul>
Management level	ESG Committee	<ul style="list-style-type: none"> <li>Responsible for managing the climate risks and opportunities of the Company, and develop and supervise the GHG reduction strategies.</li> <li>Implement the GHG reduction strategies through close cooperation with each department, and regularly assess the implementation progress of each department.</li> <li>Regularly report on the work progress under the supervision of the Board of Directors.</li> </ul>
Execution level	ESG Working Group	<ul style="list-style-type: none"> <li>Take the climate risks and opportunities into account for the development of the Company, and identify, analyze and report climate risks based on the overall risk management mechanism of the Company.</li> <li>Responsible for the carbon emission management at the operational layer, and promote the carbon footprint management of products.</li> </ul>
Other relevant functions and business departments incorporate the management of climate change-related risks and opportunities into their routine work priorities.		

## Strategy

The Company identifies and analyzes climate risks and opportunities with higher probability of occurrence or higher degree of impact, by taking into account macro policies, the actual situation of the Company and the opinions of external experts. In 2024, the Company identified and assessed three major risks and two major opportunities arising from climate change, and planned to continue to conduct in-depth researches on risks and opportunities related to climate change, and to adopt tackling strategies for risks and opportunities related to climate change.

### Identification of climate change risks and tackling strategies of Flat Glass

Climate change risks	Details	Impact time horizons	Financial impacts	Tackling strategies	
Physical risk	Acute physical risks	In the future, more extreme weather events, such as hurricanes or floods, may cause damages to the Company in terms of assets, loss of personnel and interruption of business activities.	Short term	Increased operating costs	<ul style="list-style-type: none"> <li>Closely monitor the occurrence of extreme weather, establish an emergency management plan for extreme weather, and timely respond to the occurrence of extreme weather.</li> </ul>
Transition risk	Policy and law risks	As many countries are actively laying out the local PV industry and carbon market, they may impose trade barriers for importing PV products from China. For example, the applicable industry of the EUs Carbon Border Adjustment Mechanism may expand to the glass industry. If failing to respond in advance, the Company may face high carbon costs.	Medium and long term	Increased compliance costs	<ul style="list-style-type: none"> <li>Pay close attention to laws and regulations related to climate change and comply with relevant standards.</li> <li>Compile statistics on the carbon emissions of products throughout their life cycle, and reduce the carbon footprint of products by optimizing production processes and adopting energy-saving and low-carbon technologies.</li> </ul>
	Market risks	The market brings forward higher demand for the carbon footprint of the products of PV modules. Given the critical role of PV glass in the modules and its high carbon emissions during the production, if the carbon footprint of the products of the Company is too high, it may put the Company at a competitive disadvantage in the market or even lead to loss of orders.	Short, medium and long term	Decreased revenue	



Carbon Footprint Certificate for PV Glass Products of Flat Glass Group Co., Ltd.

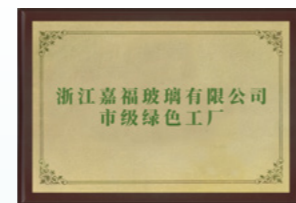


Carbon Footprint Certificate for PV Glass Products of Anhui Flat Solar Glass Co., Ltd.

Identification of climate change opportunities and tackling strategies of Flat Glass

Climate change opportunities	Descriptions	Impact time horizons	Financial impacts	Tackling strategies
Market opportunities	PV power generation has become one of the key ways for many countries and regions to achieve carbon neutrality, in the context of the increased attention on reducing GHG emissions across the globe. Accordingly, PV glass, being the important component of PV modules, has seen a rapid growth in market demand.	Short, medium and long term	Increased revenue	<ul style="list-style-type: none"> <li>Improve the level of manufacturing technology, and promote the investment for construction of new production lines and bases.</li> <li>Continue to increase investment in R&amp;D, focus on the development of PV glass products with higher performance, more efficient.</li> </ul>
Product and service opportunities	As manufacturers of PV module put forward high requirements for various respects of glass including transmittance, impact resistance, weather resistance and self-cleaning, therefore, the competitiveness of a glass company is directly determined by its ability to produce high-efficiency PV glass.	Short, medium and long term	Increased revenue	<ul style="list-style-type: none"> <li>Promote the construction of green factories and the certification of green products, and follow the national and local green development policies.</li> </ul>

The Company promotes the construction of green factories with the mode of "self-investment, self-construction and self-use" of distributed PV. In 2023, Flat Glass and its subsidiary Anhui Flat Solar Glass Co., Ltd. have been selected into the list of national green factories. In 2024, another subsidiary Zhejiang Jiafu Glass Co., Ltd. was also selected as a Jiaxing municipal green factory.



Municipal green factory of Zhejiang Jiafu Glass Co., Ltd.



Certificate of Green Product Certification of Flat Glass

Impact, Risk, and Opportunity Management

The Company actively responds to the challenge of climate change. While gradually incorporating climate risk management into its overall operational risk management, the Company has established a climate risk management process of "identification-assessment-monitoring-management". For climate-related risks and opportunities, the Company first identifies them, then assesses their impact scope and impact cycle on the Company, and then formulates corresponding management strategies and action measures, thus successfully managing climate risks and opportunities.

Management process of risks and opportunities from climate change of Flat Glass

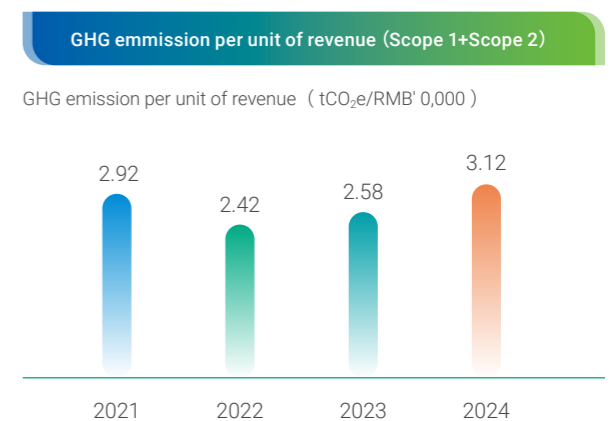
- Identification**
  - Refer to the complete list of climate-related risks and opportunities in the IFRS S2 framework, and identify climate-related risks and opportunities by taking into account climate-related policies and peer analysis results.
- Assessment**
  - Assess the types of risks and opportunities related to climate change that will have external impacts and a significant impact on the operations of the Company operations, from two dimensions, namely the probability of occurrence and the degree of impact, according to the actual situation of the Company, and analyze their financial impacts on the Company as well as their time cycles.
- Monitoring**
  - Track and report on progress towards GHG reduction targets on a monthly basis.
  - Disclose absolute and intensity data of GHG emissions in the annual ESG report, and on this basis, assess and monitor the management performance of the Company when climate change tackling, and then formulate the annual improvement plan.
- Management**
  - Conduct regular carbon examination, monitor carbon emissions from all sources and implement energy-saving measures to effectively reduce its carbon footprint. See in the section head "Optimizing Energy Management" for details.
  - Continue to increase investment in production and R&D in the PV glass industry to capitalize on the rapid development of the PV industry. See the section head "Clean Technology Innovation" for details.

Metrics and Targets

The Company has set clear GHG reduction targets. Besides, the Company has established an effective monitoring mechanism and performed regular assessment and improvement, aiming to achieve long-term stable GHG emission reduction and contribute to the global efforts on the climate crisis.

GHG reduction targets and progress of Flat Glass in 2024

Metrics	Unit	Targets	Progress in 2024
GHG emission per unit of revenue (Scope 1 and Scope 2)	tCO <sub>2</sub> e/RMB'0,000	Down by 10% in 2025, compared to 2021 (2.92)	3.12



## Optimizing Energy Management

The main energy sources used by Flat Glass in production process are natural gas, fuel oil and electricity. Among them, natural gas and fuel oil are mainly used in the combustion process of furnace, electricity is mainly used in the operation of production equipment, and diesel oil and other energy sources are mainly used in the mining process of quartzite.

Adhering to the principle of "energy conservation and consumption reduction", the Company has formulated the Resource and Energy Management Measures, and continued to deepen the rational utilization, management and control of energy in the Group at all levels, through the two major paths, namely energy use efficiency improvement and energy structure transition.

### Major energy use efficiency improvement, transformation measures and achievements of Flat Glass in 2024

<p><b>Path I</b></p>	<p><b>Energy use efficiency improvement</b></p>	<ul style="list-style-type: none"> <li>Upgraded transformers and production equipment for energy-saving purpose. Replaced a total of 16 energy-saving transformers and 1 set of high-speed energy-saving air knife centrifugal blowers. Approximately 114.5 tons of standard coal has been saved annually.</li> <li>Strengthened equipment repair and maintenance as well as timely update management. Reduced the abnormal operation of equipment, improve operation efficiency of equipment and reduce energy consumption significantly.</li> <li>Adopted cogeneration technology to convert excess heat energy in the production process into electricity. By fully using residual heat resources, energy efficiency has been improved.</li> <li>By using new energy trucks, direct energy use has been reduced.</li> </ul>
<p><b>Path II</b></p>	<p><b>Energy structure transition</b></p>	<ul style="list-style-type: none"> <li>Carried out roof-top distributed PV transition of buildings in the factory area, and constructed PV power station projects. As of the end of 2024, the installed capacity of was 232MW, with a reduction of GHG emissions of approximately 124,500 tons as well as a standard coal saving of approximately 28,500 tons.</li> </ul>

**Metrics and targets**

- For purpose of energy management, the Company has employed "total energy consumption per unit of revenue" as a monitoring indicator and set medium and long term targets:
  - In 2025, the Company will reduce total energy consumption per unit of revenue by 10% compared to the baseline year 2021.
- In 2024, the Company's total energy consumption per unit of revenue was 9.58 MWh/RMB'0,000, down 7.27% compared to the baseline year 2021 (10.46).

**Trend of total energy consumption per unit revenue**

Year	Total energy consumption per unit of revenue (MWh/RMB'0,000)
2021	10.46
2022	8.16
2023	8.97
2024	9.70

## Clean Technology Innovation

### Governance

PV glass is the the core strategy of the Company, and its technology and R&D improvement has become a key component in the future development plan. For which, the Board of Directors of the Company takes full responsibility, and ensures that the technological paths are consistent with the long-term targets of the Company, through the proposals on relevant R&D directions considered regularly by the Strategy Committee under the Board of Directors.

The president of the Company is responsible for setting the main directions of R&D and innovation, establishing an R&D center reporting directly to him/her, comprehensively promoting innovation of the Company. Emphasis shall be put on three main directions, namely advanced technology R&D, process and technology optimization, and industry-university-research cooperation.

### Strategy

As one of the pioneers in industrial layout of PV glass in mainland China, Flat Glass has become a widely recognized leading enterprise in the industry, leveraging its dominant technological advantages, advanced production process, and global layout concept. However, in recent years, many new players have been attracted to enter the PV glass market due to the the high growth potential. On this regards, the market competition has been intensified.

Since 2006, the Company has expanded into the area of PV glass, and made continuous efforts into this area when seeing the huge development opportunity. In recent years, the Company has been actively dealing with the emerging risks of market competition. Moreover, the Company has been committed to maintaining its industry-leading position in PV glass technology, through continuous capital investment and technological innovation, while promoting the overall development in the area of clean energy.

### Main risks and opportunities from R&D and innovation identified by and tackling strategies of Flat Glass

Types of main risks and opportunities	Impact time horizons	Financial impacts	Tackling strategies
Demand opportunities of PV glass	Short-, medium- and long- term	Increased revenue	<ul style="list-style-type: none"> <li>Adopt clean technology innovation as the core strategy, continue to deepen technical barriers, strengthen market competitiveness, respond to future challenges as a technology leader, and ensure to make a steady progress in the big trend of green development.</li> </ul>
Market competition risk	Medium and long- term	Decreased revenue	<ul style="list-style-type: none"> <li>Continue to increase investment in clean technologies, independently develop new products and technologies, and promote the optimization of process and technology as well as industry-university-research cooperation.</li> </ul>

### Impact, Risk, and Opportunity Management

The Company keenly captures the opportunities from PV glass and identifies the market competition risks, through conducting industry and policy researches. The Company also evaluates and monitors the financial impacts of opportunities and risks on Company, by various ways such as making financial analysis. The Company further increases investment in clean technology, promotes multi-direction R&D and innovation, effectively seize opportunities and manage risks.

The Company continues to improve the construction of its R&D mode, through putting emphasis on R&D of new products and technology, exploration of low-carbon and recycling techniques, and industry-university-research cooperation, with a view to consolidating its technology moat.

Key R&D and innovation measures of Flat Glass in 2024

Standardization of the R&D work mode



- Perfected the reporting mechanism of the whole life cycle of R&D projects, covering project approval, implementation, mid-project evaluation, summary and acceptance.
- Formed a R&D project review team, and strengthened the supervision, control and management of R&D projects by R&D general managers and R&D department managers.
- Held meetings to train "R&D project management and R&D expense statistics" to assist R&D related core members and managers in fully understanding project requirements, thereby improving their problem-solving ability through R&D.

R&D of new products and technologies



- R&D of new products: translucent reduced reflection coated glass for heterojunction battery, coated glass for offshore PV power station, 1.6mm ultra-white ultra-thin PV glass, ultra-high transparent aesthetic coated PV glass, etc.
- R&D of new technology: ultra-thin PV glass efficient cleaning technology, TCO glass substrate online coating technology, PV glass intelligent cooling and energy-saving technology, PV glass low damage transportation technology, etc.

Exploration of low-carbon and cycle process



- Constructed the basic database of energy consumption and carbon emission of typical PV glass process, established the mathematical calculation model of carbon footprint, formed the dynamic calculation digital platform, so as to explore the carbon reduction potential of high carbon emission link.
- Studied how waste lime, glass powder and floor material can be used as glass raw materials or glass brick materials through composition analysis, so as to improve the utilization rate of raw materials and reduce the production costs.

Research on industry-university-research cooperation



- Conducted in-depth industry-university-research cooperation with Jiaxing Research Institute, Zhejiang university, so as to jointly promote the application research of new energy combustion toward PV glass high-temperature furnace and the research on TCO glass substrate online coating technology.



Industry standards developed by Flat Glass

- Light weight thermally strengthened glass (GB/T34328-2017)
- Glass for solar energy Part 1: Ultra-clear patterned glass (GB/T30984.1-2015)
- Anti-reflective coated glass for PV modules (JC/T2170-2013)
- Test and evaluation methods for light transmission property of cover glass for crystalline silicon PV module (GB/T37240-2018)
- Materials for crystalline silicon PV modules Part 3: Technical specifications for bending strength, impact resistance and surface stress of double glass PV modules (T/ZBH026-2023)
- Photovoltaic (PV)glass – Test method and performance evaluation of exposure to damp heat outdoor environment (GB/T34561-2017)
- Photovoltaic (PV)glass – Test method and performance evaluation of exposure to hot-dry and sand-dust environment (GB/T34613-2017)
- Photovoltaic (PV) glass – Test method and performance evaluation of exposure to urban environment in temperate climate (GB/T34614-2017)
- The norm of energy consumption per unit products for glass products and cast stone (GB 2134-2019)
- Anti-reflective coated photovoltaic (PV) glass (T/ZZB0305-2018)

Metrics and Targets

The Company focuses on R&D of PV glass, and establishes a long-term development goal of "maintaining a leading position in the industry through investment in R&D". To this end, the Company sets specific metrics to track and assess the results of clean technology innovation and R&D.

Table of R&D and innovation metrics of Flat Glass in 2024

Metrics	Unit	2022	2023	2024
R&D investment amount	RMB'0,000	52,323	59,675	60,479
Proportion of R&D investment amount in revenue of principal businesses	%	3.38	2.77	3.24
Number of R&D personnel	Person	794	1,127	710
Proportion of R&D personnel	%	10.22	13.52	8.99
Number of valid patents during the reporting period	Patent	191	213	241
Including: Number of invention patents that can be applied into principal businesses	Patent	--	--	29
Number of patents applied during the reporting period	Patent	20	25	51
Including: Number of invention patents applied	Patent	--	--	24
Number of patents obtained during the reporting period	Patent	12	22	28
Including: Number of invention patents granted	Patent	--	--	13





## Environmental Management System

In strict compliance with laws and regulations including the Environmental Protection Law of the People's Republic of China and the Law of the People's Republic of China on Environmental Impact Assessment, the Company has set up environmental management policies. On basis of the core Environmental Protection Management Systems, the Company has prepared the Compilation of Environmental Protection Management Systems for all production base, so as to improve the organizational structure of environmental management and ensure the effective promotion and implementation of environmental management work.

In 2024, the Company paid the environmental protection related taxes in full and did not occur any violations of laws and regulations on environmental protection.

### Environmental management principles of Flat Glass



### Environmental management organization system of Flat Glass



As a production and manufacturing enterprise, Flat Glass has established an efficiently operating value chain in acquisition of raw materials, production and sales of its core business areas, namely PV glass, float glass, energy-saving glass and household glass. The Company's environmental impact is mainly concentrated in mining, production, logistics and office operation of the value chain, which mainly involves consumption of energy sources such as natural gas, diesel oil, electricity and water resources, as well as emissions such as GHG, waste gas, waste water and solid waste.

### Environmental impact analysis of Flat Glass

Value chain	Environmental factor input	Environmental factor output
Quartzite ore mining process	Energy: purchased electricity (mainly for domestic electricity), diesel oil, etc Water resources: groundwater, sedimentation tank, reservoir, bottled water	Waste gas: blasting flue gas, dust, etc Waste water: dissolved water (including suspended solids) Nazardou waste: domestic waste Hazardous waste: waste engine oil, waste oil tanks, etc
Production process	Energy: purchased electricity, natural gas, fuel oil Water resource: municipal water supply Material: ultra-white quartz sand, soda ash, dolomite, limestone, etc	Waste gas: SO <sub>2</sub> , NO <sub>x</sub> , PM Waste water: chemical oxygen demand (COD <sub>cr</sub> ), suspended solids Non-hazardous waste: dust, glass powder, general sludge, refractory materials, dust removal ash, packaging waste, domestic waste Hazardous waste: waste activated carbon, waste lead-acid battery, silver / copper sludge, waste engine oil, dangerous waste packaging, spent catalyst
Logistics process	Energy: diesel consumed by freight vehicles, electric power consumed by electric vehicles Packaging materials	Non-Hazardous waste: packaging waste
Office operation	Energy: purchased electricity, electricity and gasoline consumed by self-owned vehicles Water resources: municipal water supply	Waste water: domestic waste water Non-hazardous waste: domestic waste



In 2024, the Company continued to deepen and implement environmental management measures, ensure timely detection and resolution of environmental issues through environmental monitoring, environmental inspections and emergency drills, and controlled the impact of production and operational activities on the environment as far as possible.

**Environmental management mechanism of Flat Glass**

Environmental inspection	Environmental monitoring	Emergency drills
<ul style="list-style-type: none"> <li>Prepare the EHS Environmental Protection Checklist, examine problems, hidden dangers, harmful risk factors and deficiencies in the environmental management of all production bases of the Group on a monthly basis, identify non-conformities, and summarize them into monthly EHS Environmental Protection Inspection and Deduction Sheet.</li> <li>Timely dispose of the identified non-compliance and illegal behaviors, and formulate corresponding corrective measures to eliminate and control the problems. Meanwhile, It is necessary to complete the EHS Environmental Protection Inspection and Rectification Checklist, with closed-loop management and continuous improvement.</li> </ul>	<ul style="list-style-type: none"> <li>Deploy advanced environmental monitoring systems in the factory area to monitor the type and quantity of emissions in real time, assess the potential impact on the environment and take effective control measures in due course.</li> </ul>	<ul style="list-style-type: none"> <li>Prepare emergency plans for environmental emergencies including disasters, safety, environmental protection, communities, health and other aspects, and add new special plans for air pollution incidents, hazardous waste pollution incidents, etc., so as to form a systematic, complete and highly operable plan system.</li> <li>Formulate the System on Management of Environmental Emergency Materials and Equipment and the List of Environmental Emergency Materials, to standardize the management of emergency materials and ensure them can be put into use immediately when needed.</li> <li>Organize comprehensive drills at least twice a year and participate in various emergency drills organized by the superior competent department.</li> </ul>

**Certification of environmental management systems of Flat Glass and its subsidiaries**

The Company attached importance on the certification of environmental management system. As at the end of 2024, the Company and its subsidiaries obtained the certification of ISO14001:2015 Environmental Management System, and passed supervision and reviewing with 100% coverage rate.

Name	Certificate	Expiry date
Flat Glass Group Co., Ltd.	GB/T24001-2016/ISO14001:2015	2025.5.4
Anhui Flat Solar Glass Co., Ltd.	GB/T24001-2016/ISO14001:2015	2027.8.9
Zhejiang Flat Glass Co., Ltd.	GB/T24001-2016/ISO14001:2015	2025.4.13
Zhejiang Jiafu Glass Co., Ltd.	GB/T24001-2016/ISO14001:2015	2026.6.28
Flat (Vietnam) Company Limited	ISO14001:2015	2027.1.18

In addition, the Company actively heightens the awareness of environmental compliance. The Company ensures the management to attach importance to environmental protection goals by incorporating the 6S management assessment and environmental performance into the remuneration assessment system of the responsible officer of each production base. At the same time, the Company regularly conducts self-inspection of environmental protection, and carries out compliance disposal training, so as to reduce environmental risks at the operation level of the staff, comprehensively improve the environmental management standard of the Company, and ensure compliance operation.

**[Column] Environmental management mechanism in the mining areas of Flat Glass**

As an extension of the value chain, the Company's own mining areas focus on mining-related businesses. In view of the uniqueness of such businesses, under the guidance of the Company's overall environmental management system, the Company's mining areas have established an environmental management mechanism that is more suitable for the mining workplace scenario.

Adhering to the concept of "ecological priority and green development", the Company organically combines mine development with ecological protection, minimizes the impact of mineral resources development on the natural environment, and adopts comprehensive environmental management measures to ensure the environmental compliance and sustainable development of mine operation.

**Key measures on environmental management in the mining areas of Flat Glass in 2024**

<b>Establish a platform for environmental monitoring and information management</b>	Identify environmental problems through real-time tracking mine environmental data, and timely address such problems to ensure the effectively control of environmental impact.
<b>Ecological restoration</b>	Scientifically design the plan on land reclamation and vegetation restoration in mining areas, give priority to local suitable plants, so as to ensure remarkable ecological restoration effect and promote the natural restoration of ecological environment in the mining areas.
<b>Daily inspection and special examination</b>	Arrange special personnel to carry out regular inspection and examination of each operation area, especially carry out special examination of transport vehicles, so as to ensure that there is no leakage in the carriage and tail door, rectify the substandard vehicles and prohibit them for transportation operations, and strictly control the environmental protection details in the operation process.
<b>Co-construction</b>	Cooperate with the government and environmental protection organizations to jointly promote the construction of green mines, share advanced experience and technological achievements, and improve the overall environmental protection level.

**Environmental protection goals and achievement of the self-owned mining areas of Flat Glass in 2024**

Environmental protection goals in 2024		Achievement in 2024
Environmental management standards	Ensure that the mine environmental protection facilities and management system meet the requirements of national and local environmental protection laws and regulations, and the environmental monitoring data basically meet the standards.	Achieved
Ecological restoration coverage rate	Gradually promote the reclamation and vegetation restoration projects of mining areas, and complete more than 100% of the annual ecological restoration tasks of mining areas in 2024.	
Comprehensive utilization of resources	Gradually promote the reclamation and vegetation restoration projects of mining areas, and complete more than 100% of the annual ecological restoration tasks of mining areas in 2024.	
Community harmonious development	Optimize the environmental quality of surrounding communities in the mining areas and improve the satisfaction of surrounding residents, through reducing mining noise and dust pollution.	



## Water Resource Management

Water resources consumption, which mainly involves the mixing of raw materials, glass cleaning, equipment cooling, daily water use, etc., produced in both production process and office operations of Flat Glass. The water supply source of the Company is mainly municipal water supply. There is no difficulty in obtaining water source, and there is no significant impact on the environment in the process of obtaining water.

The Company attaches great importance to water use management, establishes the concept of water resources management, and continues to improve the construction of water resources management system. The Company has formulated the Water Conservation Management System and the Planned Water Use Management System. The Company has established a water resources management system with the leading group of water conservation as the core, and the collaboration of all functional departments and production divisions, to further strengthen the sustainable management of water resources.

### Water resource management concept of Flat Glass

- Adhere to the goal of double control of water resources consumption and establish a rigid constraint mechanism for water resources carrying capacity.
- Adhere to the principle of "priority of water conservation" and promote the construction of water conservation enterprises at a higher level.
- Adhere to the concept of green sharing and comprehensively promote the construction of water ecological civilization.
- Adhere to the principle of system coordination and improve water resources security.
- Adhere to the idea of innovation and openness, and steadily promote the reform of water resources.
- Adhere to the priority of capacity building and constantly strengthen the foundation of water resources management.

In 2023, the Company successfully declared itself as water conservation enterprise. On this basis, in 2024, the Company continued to carry out standardized and normalized water resources management by taking measures including tracking and monitoring, water recycling, and daily water conservation.

### Water resources management mechanism

Tracking and monitoring	<ul style="list-style-type: none"> <li>• Carry out a census on the availability of measuring instruments and the management of water appliances.</li> <li>• Develop water quotas and monthly track and monitor of implementation and results.</li> <li>• Conducting reporting and analysis of water consumption statistics on a monthly, quarterly, and annual basis.</li> </ul>	
Water recycling	<ul style="list-style-type: none"> <li>• Promote water reuse, and use treated production waste water and domestic waste water as cleaning water or greening water.</li> <li>• Research storm water reuse technologies, and incorporate the procurement of rainwater recycling devices into the plan.</li> </ul>	
Daily water conservation	<ul style="list-style-type: none"> <li>• Change all toilet equipment into automatic saving faucet, sanitary ware, etc.</li> <li>• Actively carry out water conservation promotion activities through various forms such as blackboard newspapers, exhibition boards, and bulletin boards.</li> <li>• Popularize the knowledge of water conservation and emission reduction, and publicize the advanced experiences, in active response to the "National Water Conservation Awareness Week".</li> </ul>	

The Company has set clear targets for water use and formulated the 2023-2025 Water Conservation Action Plan. The Company actively promotes various water conservation measures through the implementation of the target responsibility system, so as to ensure the effective implementation of water conservation work.

### Water use targets and progress of Flat Glass in 2024

Metrics	Unit	Target	Progress in 2024
Water consumption per unit of revenue	m <sup>3</sup> /RMB0,000	Down 3% in 2025 compared to 2021 (6.8)	6.07 (Down 10.74% compared to 2021)



## Discharge and Waste Management

### Governance

The Company relies on a well-established environmental management system and organizational structure. Under the guidance of the Environmental Management Leading Group headed by the president of the Group, the Group Management Department (EHS Management Department) is responsible for leading the management of discharge and wastes, and ensures that the treatment of all discharge and wastes in full compliance through refined management and strict implementation of various measures.

### Strategy

As an enterprise disclosing environmental information according to law, the Company is well aware of the importance of strictly controlling discharge and waste management. This is not only to comply with increasingly stringent environmental regulations, but also to reduce operating costs, improve social image and enhance market competitiveness. Through effective discharge and waste management, the Company can reduce the impact on the environment, prevent potential legal and reputation risks, so as to ensure the long-term and stable development of the enterprise.

Focusing on "preventing and controlling pollution, reducing the discharge of waste gas, waste water and wastes" in discharge and waste management, the Company reduces the risk of improper management, ensures compliance discharge, and maintains corporate image.

### Discharge and waste management risks identified by and control strategies of Flat Glass

Main risk types	Impact time horizons	Financial impacts	Control strategies
Risk of improper waste water management			<ul style="list-style-type: none"> <li>• Strictly standardize the three-waste management mechanism according to the Compilation of Environmental Protection Management Systems.</li> <li>• Carry out real-time monitoring and monthly inspection around three-waste management, make corrections of identified problems within a fixed period of time, and make continuous improvement.</li> </ul>
Risk of improper waste gas management	Short-, medium- and long term	Increased compliance costs	
Risk of improper waste management			


## Impact, Risk, and Opportunity Management

### Waste water management

The Company's waste water mainly includes production waste water and domestic waste water, of which production waste water involves pollutants such as chemical oxygen demand (COD<sub>cr</sub>) and ammonia nitrogen.

In strict compliance with the national and local waste water discharge standards, The Company formulates the Waste water Discharge Management Regulations, establishes a complete waste water treatment system and waste water monitoring mechanism, ensures that the waste water complies with the discharge standards, and strictly controls the impact of the waste water discharges on the environment. In 2024, the Company did not discharge excessive waste water.

#### Discharge standards and main control metrics on waste water discharge complied by Flat Glass

Discharge standards complied	Main controlling metrics	Waste water treatment	Monitoring methods	Compliance in 2024
Integrated Waste water Discharge Standard (GB8978-1996) Indirect Emission Limits of Nitrogen and Phosphorus  Pollutants from Industrial Enterprises (DB33/887-2013)	<ul style="list-style-type: none"> <li>PH value</li> <li>Suspended solids</li> <li>Biochemical oxygen demand</li> <li>Ammonia nitrogen</li> <li>Total phosphorus</li> <li>Petroleum</li> <li>Animal and vegetable oils</li> </ul>	<ul style="list-style-type: none"> <li>Collection pool</li> <li>Setting tank</li> <li>Valveless filtration</li> <li>Precise filtration</li> <li>Clear water pool</li> </ul>	<ul style="list-style-type: none"> <li>Install on-line wastewater monitoring equipment for real-time monitoring of discharges</li> <li>Entrust a third-party qualified unit to conduct sampling and testing on a quarterly basis</li> </ul>	 <p>Complied</p>

#### Types, production processes and treatment methods of waste water of Flat Glass

Types of waste water	Production processes	Treatment methods
Waste water from soft water disposal	Waste heat boiler, cooling water	
Waste water from pure water disposal	Glass processing and silver mirror workshop	
Boiler sewage	Waste heat boiler	<ul style="list-style-type: none"> <li>After being treated by the separate water reuse system in the plant, 75% of the water will be reused for production, and the remaining 25% will be treated by the sewage treatment system and discharged through pipes</li> </ul>
Production waste water	Cooling sewage	
Waste water of silver mirror	Silver plating, copper plating, cleaning and spraying	
Waste water of from deep processing	Edging cleaning	
Waste water from sand washing workshop	Raw material treatment	
Domestic sewage	Daily operation of administrative building, dormitory and canteen	<ul style="list-style-type: none"> <li>After being treated by septic tank and oil separator, it will be discharged into the sewage pipe network</li> </ul>

### Waste water management measures of Flat Glass in 2024

- Investing in advanced equipment for desalination and reuse of high-salt water. Through controlling the conductivity of reuse water through desalination, the equipment eases the additional burden of high-salt water reuse on the production system, reduces waste water discharge, and improves the sustainability of waste water treatment.


### Waste gas management

The waste gas generated in the production and operation of Flat Glass mainly includes the furnace waste gas generated in the production process of sheet glass, the dust waste gas generated in the feeding process, the acid fog waste gas generated in the deep processing of glass, and the organic waste gas.

The Company discharges its own generated waste gas after meeting the standards for processing, in strict compliance with the relevant national and local waste gas emission standards. Moreover, the Company regularly issues annual monitoring reports to monitor its own waste gas emissions, as well as continues to take measures to reduce its own waste gas emissions, so as to minimize the impact on the environment.

In 2024, the intensity of all types of pollutants in the waste gas emitted by the Company can reach the standard limits in the Emission Standard of Industrial Air Pollutants of Flat Glass (GB26453-2022), and the Company did not emit excessive waste gas.

#### Emission standards and main control metrics of waste gas of Flat Glass

Emission standards	Main control metrics	Monitoring methods	Compliance in 2024
Emission Standard of Industrial Air Pollutants of Flat Glass (GB26453-2022)  Zhejiang Air Pollution Prevention and Control Action Plan	<ul style="list-style-type: none"> <li>NO<sub>x</sub></li> <li>SO<sub>2</sub></li> <li>PM</li> <li>VOCs</li> </ul>	<ul style="list-style-type: none"> <li>Install online air monitoring equipment to monitor emissions in real time</li> <li>Conduct third-party testing of PM every month</li> <li>Conduct third-party comparative testing of SO<sub>2</sub>, NO<sub>x</sub> and PM every quarter</li> <li>Conduct third-party testing of sulfur intensity in fuel oil regularly</li> </ul>	 <p>Complied</p>



**Types, production processes and treatment methods of waste gas of Flat Glass**

Types	Production processes	Treatment methods
Waste gas from dust	Raw material storage, transportation, mixing, loading and unloading	High altitude discharge after bag dust collecting.
Flue gas from glass furnace	Fuel combustion	Integrated sulfur-dust-nitrate treatment with a ceramic filter.
Waste gas from calendering and coating	Calender coating process	The waste gas after high temperature combustion is finally discharged through the chimney of high glass furnace.
Waste gas from silver mirror line	Silver mirror painting, silver mirror baking, silver plating process	Discharge through the chimney of glass furnace after high temperature combustion treatment.
Air emission from float line	Online coating process	Discharge through high exhaust funnel after incineration treatment + neutralization treatment by spraying NaHCO <sub>3</sub> powder + treatment by bag dust collector.

**Wast gas management measures of Flat Glass in 2024**

- Adopt advanced adust-nitre-sulphur integrated treatment facilities for desulfurization, denitrification and dust removal of the furnace to improve the treatment efficiency.
- Treat all VOCs exhaust gas within a melting furnace for combustion, and achieve a treatment efficiency of more than 99%.



**Waste management**

Flat Glass produces non-hazardous wastes such as paper, plastic, metal and office garbage in the daily office operation, hazardous wastes such as waste ink, electroplating waste and waste chemical reagents in the production process, and hazardous wastes such as waste oil, waste oil tanks in the quartzite mining process.

The Company regards the reduction or elimination of waste as an important foundation for the development of circular economy, strictly observes the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, the Measures for the Prevention and Control of Environmental Pollution by Waste Hazardous Chemicals and other laws and regulations, formulates the Waste Management Procedures and the Responsibility System for the Prevention and Control of Environmental Pollution caused by Industrial Solid Waste, establishes a team for the construction of a "waste-free factory", and establishes a well-established waste management system, and pushes forward the reduction, recycling and harmless of waste disposal.

In 2024, the Company did not occur any incidents of disposal of waste in violation of regulations.

**Main waste types, production processes and treatment methods of Flat Glass**

Waste scope	Waste types	Production processes	Treatment methods
Non-hazardous wastes	Dust, glass powder	Edge grinding process	Re-production after recycling
	General sludge	Waste water reuse	After drying, the bricks shall be recycled by the building materials unit
	Waste refractory	Cold repair	
	Dust removal ash	Flue gas de-dusting	Regularly entrust qualified disposal units for disposal
	Packaging waste	Use of raw materials	
Hazardous wastes	Domestic garbage	Office and employees' life	Regularly entrust the sanitation department to carry out unified cleaning and handling
	Waste activated carbon	Paint waste gas emission treatment	
	Waste lead-acid battery	Forklift	
	Sludge containing silver and copper	Pretreatment of silver mirror waste water	After collection, a qualified hazardous waste disposal unit is regularly entrusted for disposal
	Waste oil	Equipment maintenance	
	Hazardous waste packaging	Use of raw materials	
	Deactivated catalyst	Denitration process	
Waste oil, waste oil tanks	Quartzite mining		

**Waste management measures of Flat Glass in 2024**

- Fully use glass powder and desulfurization powder generated in the production process, which are reused as raw materials in the production process.
- Improve the utilization rate of resources and reduce loss and waste.
- R&D of laser cutting technology to replace the current conventional glass cutting process, with zero glass powder production.
- Raw materials are bulk packed in containers, reducing the use of packaging.
- Coating solution, paint and other raw materials use recyclable bulk containers instead of disposable plastic tanks and iron tanks to reduce the production of packaging barrels.
- Improve the use range of electronic office software, promote a paperless office and reduce waste paper generation.
- Use recycled revolving steel trays to replace glass trays, reduce the use of disposable non-recyclable trays and packaging materials.

## Metrics and Targets

The Company has set clear targets for "three-waste" management, and monitors the real-time emissions relying on the advanced environmental monitoring system. Through taking consistent adjustment and improvement measures, the Company has effectively reduced toxic emissions and waste production in the core business of glass production, so as to realize the prevention and control of pollution.

### Three-waste management targets and achievement of Flat Glass in 2024

waste water management targets	Monitoring metrics	Unit	Performance in 2024	Achievement in 2024
Waste water discharge volume is lower than the volume approved by the government	Industrial waste water discharge volume	m <sup>3</sup>	5,586,983	Achieved

Waste gas management targets	Monitoring metrics	Unit	Performance in 2024	Achievement in 2024
Emission volume is lower than the volume approved by the government, and emission concentration is lower than the emission limit of the country	Total exhaust emissions	m <sup>3</sup>	31,418,592,058	Achieved

Waste management targets	Monitoring metrics	Unit	2024
Take consistent reduction measures to control the production of hazardous waste and non-hazardous waste at a lower level	Density of non-hazardous waste production	kg/RMB'0,000 revenue	15.73
	Density of hazardous waste production	kg/RMB'0,000 revenue	0.31



## Ecosystem and Biodiversity Protection

The Company's production bases are located in the industrial parks without involving ecologically sensitive areas. Therefore, the impact of the production and operating activities on the ecosystem and biodiversity is insignificant.

In terms of the quartzite mining business, the environmental impact assessment results of each mine of the Company show that the impact of mining construction on the ecosystem is relatively limited. Moreover, the Company will carry out comprehensive ecological restoration after the expiration of the mining service.

Each mining area of the Company has formulated a Plan on Mine Geological Environment Protection And Land Reclamation and a perfect responsibility mechanism. While uniformly deploying and coordinating the governance and reclamation work with the production and construction activities, each mining area focuses on promoting the governance of mine geological disasters, geological environment monitoring and land reclamation in mining areas, so as to ensure the timely completion of ecological restoration of the geological environment and the sustainable development of the mining areas.

### Ecosystem governance and restoration mechanism of the mining areas of Flat Glass

#### Geological disasters governance in the mining areas

- Clean up the slopes of the sections where mining has been completed, focus on removing dangerous rocks and pumice, so as to prevent damages caused by rock fall, and ensure environmental safety in mining areas.
- Construct longitudinal headrace channels on the slopes of the stope and install drainage works on the platform, so as to effectively guide the flow of surface water, prevent landslides triggered by the accumulation of rainwater, and protect the stability of the slopes.
- Set up obvious warning signs around the stope to remind pedestrians and vehicles to pay attention to avoiding and preventing falling accidents, so as to protect the safety of passing pedestrians and operating personnel.

#### Mine geological environment monitoring

- Check the risks of slope collapse and landslide in the mining areas regularly through the combination of comprehensive inspection and key monitoring.
- Monitor the impact of the surface elevation and topographic slope changes on the landform landscape in real time during the construction period, and track all construction sites continuously after the closure of mine for reclamation.

#### Mining area Reclamation in the mining areas

- Reclaim part of open-air stope platforms and side slopes into woodland by spraying thick substrate, mixing arbor trees and grass, planting adaptable plants such as cypress and pine. Restore ecology quickly with soil fertilizer and timely irrigation, so as to promote the formation of stable vegetation community.
- Reclaim part of temporary dump and office areas into dry land, and improve the soil quality through demolishing buildings, removing garbage, ploughing and leveling the land, covering topsoil and adding organic fertilizer.
- Land reclamation mechanisms such as reclaiming transportation roads into other forested land and rural roads, and reclaiming part of open stope platforms into water levels in pits and ponds.

In 2024, each mining area of the Company continued to implement the mode of "mining while restoring", thus gradually and obviously improving the ecological environment in the mining areas.

As at the end of 2024, the Company completed the restoration of 46.98 mu of mining land. All the restored land achieved 100% ecological coverage rate.

# 02

## Social



# Win-Win Cooperation by Producing High-Quality Glass

Upholding the belief that quality is the life of the enterprise, the Company provides customers with high-quality products through continuous progress, enhancing customer satisfaction, and improving supply chain management.

## Issues addressed in this chapter



Product quality and customer management



Information security and privacy protection



Supply chain security



Supply chain environmental and social risk management



## Product Quality and Customer Management

### Governance

The Company carries out quality management strictly abides by relevant laws and regulations including the Law of the People's Republic of China on Product Quality and Standardization Law of the People's Republic of China, as well as national standards including the Laminated Solar Photovoltaic (PV) Glass in Building GB29551-2023. The Company has formulated and improved the internal management systems including the Specification on Auxiliary Materials and Incoming Inspection of Flat Group and Standards on Customer Service Management Standards on Customer Service Management Standards on Customer Service Management, and continued to improve the establishment of quality and customer management systems. The Company has set up Group Quality Control Department, Business Division Quality Control Department and Sales Department to perform quality control work, under the supervision of the Board of Directors and overall coordination of ESG Committee.

### Product quality and customer management policies of Flat Glass

#### Name of policies

- Comprehensive Management Manual
- Specification on Auxiliary Materials and Incoming Inspection of Flat Group
- Internal Control Standards of PV Glass of Flat Group
- Standards on Customer Service Management of PV Business Division
- Standards on Daily Follow of Production Line of Stations of PV Business Division
- Standards on Quality Accident Management of PV Business Division, etc



### Strategy

The Company comprehensively identifies and responds to the risks existing in the process of product quality and customer management, establishes the Risk and Opportunity Assessment and Analysis Table, and makes the response and management in advance.

### Main risks related to product quality and customer management identified by and tackling strategies of Flat Glass

Types of main risks	Impact time horizons	Financial impacts	Tackling strategies
Risks caused by changes to applicable laws and regulations and customer requirements	Medium and long term	Increased operating costs	<ul style="list-style-type: none"> <li>• Improve internal control standards.</li> <li>• Strengthen the control of raw materials incoming.</li> <li>• Update the detection equipment.</li> <li>• Strengthen the quality inspection and assessment.</li> <li>• Improve the customer service system, and normalize customer communication.</li> </ul>
Product quality risk caused by equipment, fixture and cutters	Short, medium and long term	Decreased revenue	
Product after-sales risk	Short, medium and long term	Increased operating costs	
Design failure risk during product design and development stage	Medium and long term	Increased operating costs	
Customer churn risk	Medium and long term	Decreased revenue	



## Impact, Risk, and Opportunity Management

### Product quality management

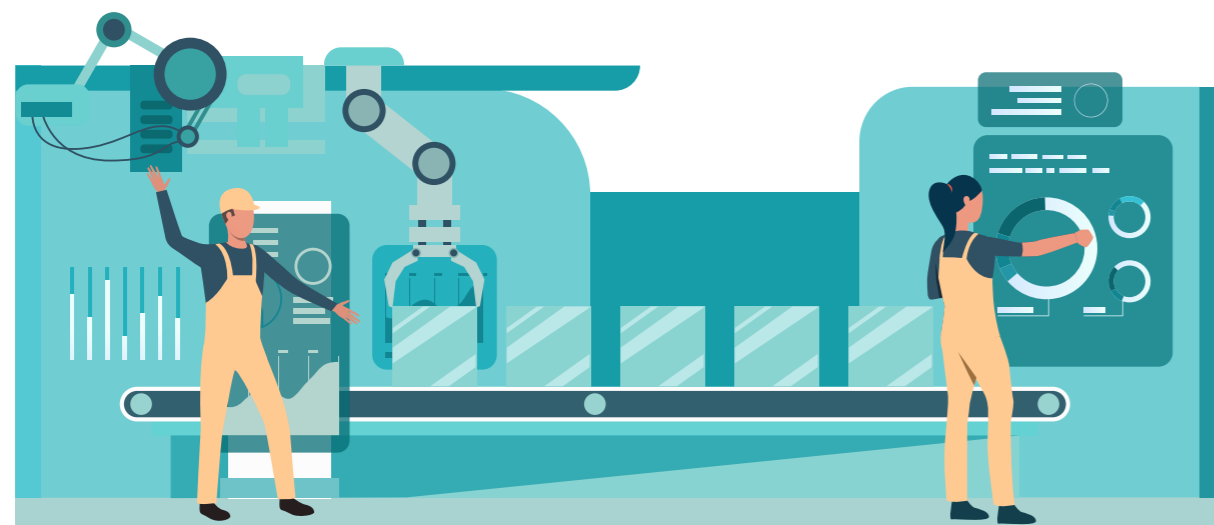
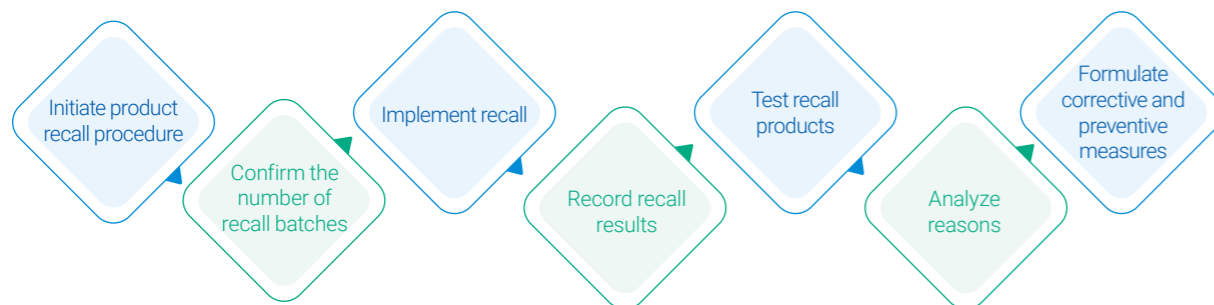
The Company formulates the Risk and Opportunity Control Procedure, establishes a sound quality risk management process, evaluates the risk from the two dimensions of the severity and occurrence frequency of the risk, obtains the risk coefficient, and takes corresponding measures according to the risk coefficient.

#### Quality risk and opportunity control process of Flat Glass



The Company formulates the Recall Process of Unqualified Products and the Escalation Procedure to prevent the delivery of the unqualified products to customers, avoid infringing on the legitimate rights and interests of customers and the safety of people's lives and property, and affecting the reputation of the enterprise.

#### Recall process for unqualified products of Flat Glass



### Measures on products quality management of Flat Glass

<p><b>Improve management system</b></p>	<ul style="list-style-type: none"> <li>Formulate and continuously improve and update the system documents including the Internal Control Standards of PV Glass of Flat Glass.</li> <li>Implement workshop on-site standardized management, formulate standardized operation procedures and standardized management of product quality control.</li> <li>Product production strictly complies with the national standards and international standards of all kinds of glass products.</li> <li>Pass the GB/T19001-2016/ISO9001:2015 quality management system certification, and develop the quality management process according to the certification system requirements.</li> </ul>
<p><b>Strengthen technical supervision</b></p>	<ul style="list-style-type: none"> <li>Strengthen the raw material incoming process control.</li> <li>Constantly improve the internal control standards of PV glass, clarify the responsibilities and promote the implementation.</li> <li>Evaluate the quality status of each production unit from the six dimensions, namely finished product rate, process batch accidents, customer complaint rate, customer return, 8D standardization and system standardization; analyze the quality status of production units every week, track 8D improvement every month, identify internal quality risks, and formulate corrective and preventive measures.</li> </ul>
<p><b>Improve quality awareness</b></p>	<ul style="list-style-type: none"> <li>Regularly carry out special training related to quality management, including standard training, operation guidance training, quality awareness training, etc.</li> </ul>

### Case

#### Organizing a training on internal quality auditors



In order to improve the quality control level and further strengthen the quality control system of the Group, in April 2024, the Company invited external experts to organize training for internal quality auditors from the persons of the Group. A total of 63 persons participated in the training, and 20 employees obtained the certificate of internal auditor.



Training on internal quality auditors

During the reporting period, all the subordinate factories of the Company have passed the ISO 9001 quality management system certification, and their products have passed the 3C product certification, green product certification, PV glass SPF product certification, the Safety Glazing Certification Council (SGCC) certification in the U.S, the Insulating Glass Certification Council, IGCC) certification in the U.S, etc.

**Certification of quality management system of Flat Glass and its subsidiaries**

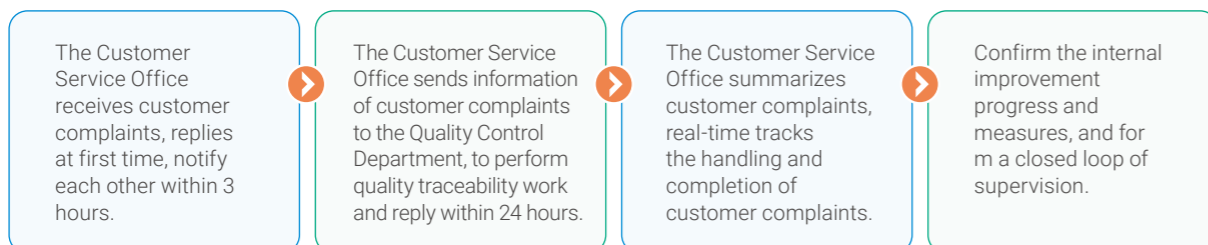
Name	Certificate	Expiry date
Flat Glass Group Co., Ltd.	GB/T 19001-2016/ISO 9001: 2015	2025.5.4
Anhui Flat Solar Glass Co., Ltd.	GB/T 19001-2016/ISO 9001: 2015	2027.8.9
Zhejiang Flat Glass Co., Ltd.	GB/T 19001-2016/ISO 9001: 2015	2025.4.13
Zhejiang Jiafu Glass Co., Ltd.	GB/T 19001-2016/ISO 9001: 2015	2027.7.29
Flat (Vietnam) Company Limited	ISO 9001: 2015	2027.1.18



**Customer service management**

The Company is committed to improving customer satisfaction through establishing a sound customer service work system and complaint feedback processing process. The Customer Service Office under Sales Department of the Company is responsible for receiving customer complaints and ensuring first time send information of customer complaints to the Quality Control Department, performing quality traceability work in a timely manner, and constantly improving the quality of products and services.

**Standardized handling process of customer complaints of Flat Glass**



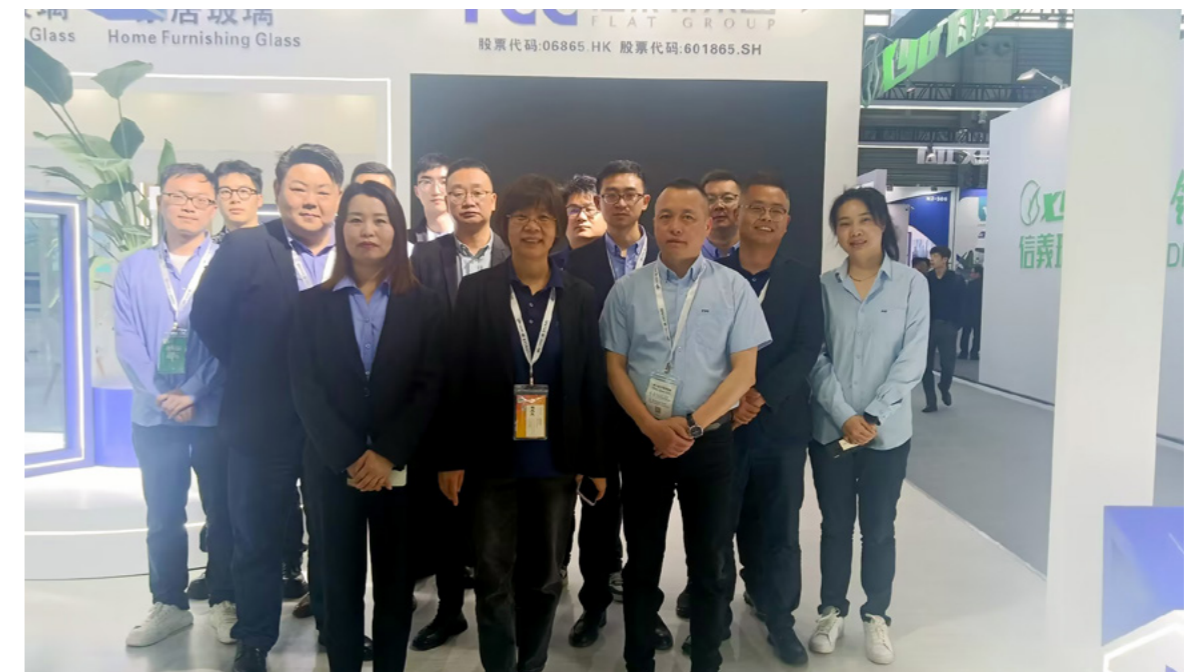
The Company attaches great importance to customer feedback, formulates the Customer Satisfaction and Measurement Control Procedures, and carries out regular customer satisfaction surveys. The Company sends the Customer Satisfaction Survey Form to customers every year to investigate their satisfaction with various aspects including the product quality, price, delivery date, after-sales service and cooperation of the Company, collect relevant opinions and suggestions, and formulate corresponding corrective or preventive measures to improve the analysis results.

Customer communication is the priority of improving customer service. The Company actively carries out customer communication activities by different means such as customer visits and participating in industry associations and technical communication meetings. The Company also timely understands the demands and feedbacks of customers and market, collect customer advice for products and technology, improve the influence and visibility in the industry, so as to further expand business channels.

**Case Participating in the 33rd China International Glass Industry Technology Exhibition**



On 25 April 2024, Flat Glass participated in the 33rd China International Glass Industry Technology Exhibition. Sticking to the theme of green sustainable development, the Company mainly displayed its four main products such as solar PV glass, high quality float glass, energy-saving glass, household glass, and showcased its the most reliable, economic, green products and services with highest quality to visitors at domestic and abroad.



Group photo in the exhibition

**Metrics and Targets**

In order to improve the Company's product quality and customer satisfaction, the Company has set the target of "zero serious quality and safety accidents", and effectively implemented the product quality management work. During the reporting period, the Company had no major safety and quality liability accidents related to its products and services.



## Information Security and Privacy Protection

In accordance with laws and regulations including the Cybersecurity Law of the People's Republic of China, Data Security Law of the People's Republic of China, and Personal Information Protection Law of the People's Republic of China, the Company has formulated internal management systems including the Information Security Management System and Network Permissions Management System, so as to improve establishment of the systems on information security and privacy protection management.

### Information security and privacy protection policies of Flat Glass

Name of policies	
Information Security Management System	IT Emergency Management System
Network Permissions Management System	Disaster Recovery Management System of Data Center
Network Maintenance and Management System	Daily Maintenance and Management System of Computer Hardware and Software
Wireless Network Management System	Cloud Information Management System, etc
Desktop Cloud Terminal Management System	

The Company attaches great importance to information security and privacy protection, and puts emphasis on prevention and control of the occurrence of information leakage risk in key positions involving trade secrets, thereby safeguarding the core competitiveness of the Company from being damaged. At the same time, the Company fully respects customers' privacy, takes effective measures to protect the basic rights and interests of customers, and creates a safe and reliable business environment for customers. During the reporting period, the Company had no data security incidents or customer privacy disclosure incidents.

### Main measures on information security and privacy protection of Flat Glass

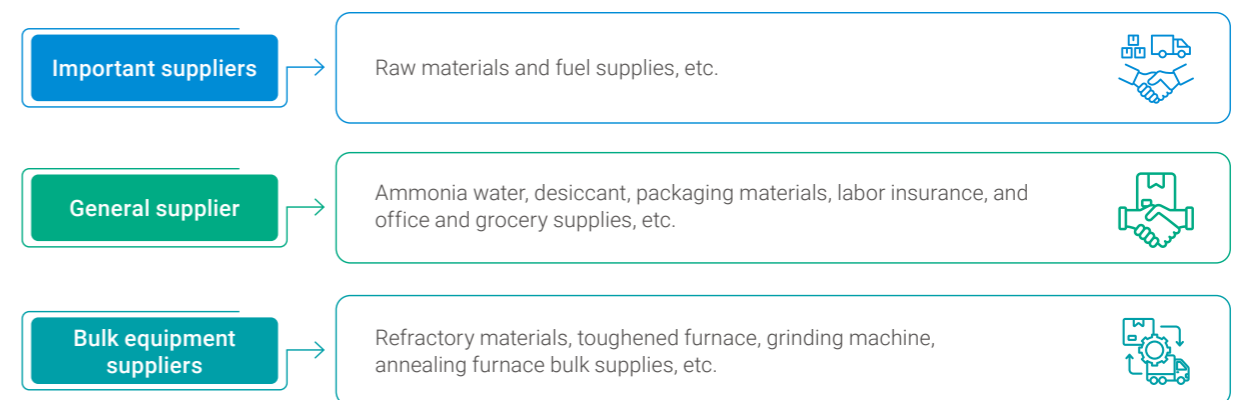
- The Technical Department encrypts the mobile phones and computers of the key positions involving R&D, quality management and finance, and sets up the encryption program for forwarding files.
- Prohibit all company-wide computers from installing private communication tools, and only allow the use of WeCom.
- Set up strict access control system for confidential equipment in the workshop, the archives room and R & D center of the Company. Irrelevant personnel must be accompanied by special personnel after approval for accessing.



## Supply Chain Management

The Company divides suppliers into three categories, namely important suppliers, general suppliers and bulk equipment suppliers, based on the extent of the impact of purchased materials on product realization or quality of finished products.

### Categories of suppliers of Flat Glass



### Governance

The Company formulates the Supplier Management Measures to strengthen the management and assessment of suppliers, stabilize the supplier team, establish long-term reciprocal supply requirements. The Company achieves growth and sustainable development together with its suppliers, and ensures the smooth progress of its production and operation activities. The Company sets up a procurement center, which is responsible for the specific implementation of supply chain management under the supervision of the Board of Directors and the overall coordination of ESG Committee.

For important suppliers and general suppliers, the Company carries out management activities according to the Supplier Management Measures. For the bulk equipment suppliers, the Company may make minor purchases temporarily mainly involved in the construction period of the project or in the production process, the procurement center and relevant demand departments decide to carry out necessary management activities such as access, management, assessment and review.

### Strategy

The Company faces with the risks including price fluctuations of raw materials and limited supply of resources during business operations due to its highly reliance on the continuous supply of raw materials such as soda ash and quartz sand. On the one hand, the Company ensures the security and stability of the supply chain by strengthening the management of raw materials, expanding suppliers and purchasing mines; on the other hand, the Company continuously promotes the sustainable development of the supply chain by enhancing the management of environmental, labor and business ethics of suppliers.

**Main risks of supply chain management identified by and management strategies of Flat Glass**

Risk types	Risk events	Impact time horizons	Financial impacts	Management strategies
Supply chain security risks	Supply chain shortage	Medium and long term	Increased operating costs	<ul style="list-style-type: none"> <li>Purchase mine to ensure the supply of raw materials, and obtain approximately 165 million tons of reserves of quartz mine resources.</li> <li>Strengthen the study of price trend of raw materials, reasonable choice the procurement time.</li> </ul>
	Price rise of key raw materials	Short, medium and long term	Increased operating costs	<ul style="list-style-type: none"> <li>Conduct raw material futures trading in due time while ensuring safety.</li> </ul>
	Suppliers sell shoddy goods for quality goods	Medium and long term	Increased operating costs	<ul style="list-style-type: none"> <li>Improve the supplier review mechanism and strengthen the raw material control.</li> </ul>
Supplier environmental and social risks	Suppliers occur environmental negative events	Medium and long term	Increased operating costs	<ul style="list-style-type: none"> <li>Formulate the Supplier Code of Conduct to require suppliers to comply with their social responsibility commitments.</li> </ul>
	Suppliers occur labor incidents	Medium and long term	Increased operating costs	<ul style="list-style-type: none"> <li>Establish a sustainable supplier review mechanism, and eliminate the unqualified suppliers regularly.</li> </ul>
	Suppliers occur corruption incidents	Medium and long term	Increased operating costs	<ul style="list-style-type: none"> <li>Formulate the Supplier Code of Conduct to require suppliers to comply with the Honesty and Integrity Agreement and regulate the business behavior of suppliers.</li> </ul>

**Impact, Risk, and Opportunity Management**

**Supply chain security**

The Company establishes scientific supplier product quality management mechanisms such as the Crude Fuel Indicator Control Provisions and the Crude Fuel Incoming Management Specification. Pursuant to which, the Company standardizes the management of storage, acceptance, inspection, storage, processing of crude fuel, check the quality of the crude fuel, ensure the quality of materials incoming meet the standards, prevent unqualified crude fuel from being put into storage and production.

The Company continues to pay attention to the raw material market dynamics, and to identify and monitor the risks related to the raw material supply. In order to cope with the market price fluctuation and supply security risks caused by quartz ore resources affected by supply, environmental protection and other factors, as at the end of 2024, the Company obtained approximately 165 million tons of quartz mine resources through mergers and acquisitions and bidding. For the exclusive supply of key materials, the Company actively explores alternatives and considers independent investment in the production of related materials to ensure the stability of the supply chain and further strengthen and consolidate the advantages of the supply chain.


**Supply chain environmental and social risk management**

The Company formulates the Supplier Code of Conduct to restrict the environmental management, labor management and business behavior of all suppliers to ensure that the suppliers comply with the principles and requirements of sustainable development. At the same time, the Company conducts annual review on all suppliers, and removed unqualified suppliers in environmental management, labor management and business behavior according to the review results.

**Main management requirements on sustainable development of suppliers of Flat Glass**

**Environmental management**


- Environmental certification: obtain and maintain all necessary environmental permits, approvals and registration.
- Resource protection: conserve and protect natural resources.
- Improve energy efficiency: improve energy efficiency and reduce GHG emissions.
- Three-waste treatment: standardize the treatment and disposal of hazardous substances, and carry out appropriate training to workers.



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**Labor management**


- Compulsory labor shall be prohibited.
- Establish an occupational health and safety management system to ensure the health of employees.
- Ensure that all employees receive occupational health training.



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**Business ethics**

- Abide by the integrity agreement of the Company, which provides that the violations of the provisions of honesty and integrity including bribery and corruption shall be prohibited.



The Company attaches great importance to the anti-corruption in procurement, continues to strengthen the anti-corruption management in the procurement, and requires all suppliers to comply with its anti-corruption policies. The Company adds clear integrity and self-discipline clauses in the standard form contract on procurement, conveys the anti-corruption principle to suppliers. Moreover, the Company actively promotes the signing of additional Integrity and Self-Discipline Contract with suppliers, calling on all suppliers to strictly practice the principle of honesty and integrity.

In addition, the Company enters into the Related Party Environmental Protection and Safety Agreement with suppliers. The Company adopts the environmentally friendly principle to choose packaging, arrange logistics, striving to build and maintain the ecological environment of the PV industry chain through more reliable, more economical, greener and higher quality products and services.

In 2024, the Company disqualified 8 suppliers with poor performance in environmental management, labor management and business ethics.

**Metrics and Targets**

The Company has set metrics and targets for supply chain management, and established a mechanism to tracking such metrics and targets, aiming to strengthening the management of material risks in supply chain management and promoting the sustainable development of supply chain. In 2024, all relevant targets were achieved.

**Metrics and targets for supply chain management, and achievement of Flat Glass in 2024**

Management metrics	Targets	2024
Proportion of suppliers assessed through the environment, labor, ethics, etc	100%	100%
Supplier qualification rate upon review	100%	100%
Rate of entering into the Related Party Environmental Protection and Safety Agreement	100%	100%
Rate of entering into the Integrity and Self-discipline Contract	100%	100%

# Building a Harmonious Home Through Fusion And Symbiosis

Upholding the value of "fusion and symbiosis, creation and sharing" while insisting on the talent concept of "loyalty, integrity, professionalism and enterprising", the Company creates a healthy and harmonious working environment, and constantly increases introduction, development and management of human resources, so as to build a first-class talent team. Meanwhile, through carrying forward the social responsibility concept of "big enterprise with big responsibility", the Company gives back to the society, and join hands with employees to build a harmonious home.

## Issues addressed in this chapter

			
Production safety	Employees' interests and benefits	Employee training and development	Rural revitalization and public welfare



## Safeguarding Employee Safety

Implementing the production safety management policy of "safety first, prevention-oriented, comprehensive governance" while insisting on the principles of "safety management is a must no matter for the management of industry, business, production and operation" and "the one who manages is the one who is responsible for", the Company strengthens the leadership and management of production safety work, prevents and reduces safety accidents, safeguards life and property safety of the Company and employees.

### Governance

In strict compliance with relevant laws and regulations including the Law of the People's Republic of China on Production Safety, the Regulations on Production Safety License, the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, the Law of the People's Republic of China on the Prevention and Treatment of Infectious Diseases, the Company formulates the Compilation of Production Safety Management Systems, thereby establishing sound production safety management systems.

The Company establishes the Safety Production Leading Committee, builds a top-down safety production management structure, constantly standardizes the safety production management work, thereby ensuring the safety of production and operation.

#### Safety production governance structure of Flat Glass



## Strategy

The Company is principally engaged in the production and sales of PV glass, float glass, energy-saving glass and household glass. All kinds of safety production risks exists during the production process that involves high temperature, cutting and other technologies. Such risks, if not under reasonable control, may cause accidents such as personnel injury, equipment damages, or employee occupational diseases. The Company may face compensation, litigation, punishment, etc., which will have a negative impact on the operating costs and revenue of the Company in the short term.

The Company actively conducts systematic identification of production safety risk in the area involving larger risks. The Company formulates the Float Risk Identification List, the Coating Hazard Identification And Risk Assessment Table, the PV Production Major Hazard Identification Table, the Energy Saving Risk Identification List. The Company develops safety production control strategies for various risks, so as to reduce production safety accidents and control the incidence rate of occupational diseases.

### Identification of main risks in safety production and tackling strategies of Flat Glass

Risk types	Tackling strategies
Risk of safety accidents occurred during glass production and mining	<ul style="list-style-type: none"> <li>Engineering control: regular maintenance to ensure the safety of equipment and facilities.</li> <li>Safety management: make the safety production management in a institutional and normalized manner, and conduct regular on-site inspections.</li> <li>Training and education: conduct regular training on equipment safety use for employees, and carry out safety production month activities to improve their safety awareness.</li> <li>Individual protection: equip and use personal protective equipment according to the requirements of the work type.</li> <li>Emergency response: make emergency plan and make emergency preparations in advance.</li> </ul>
Occupational disease risk	<ul style="list-style-type: none"> <li>Facility renovation.</li> <li>Provide employees with protective equipment.</li> <li>Conduct regular occupational health examinations.</li> </ul>

## Impact, Risk, and Opportunity Management

The Company establishes a dual prevention system including hierarchical control as well as hidden hazards screening and treatment (hereinafter referred to as "dual prevention system") against safety risks. The Company comprehensively identifies all types of risks by the hierarchy of risk identification and evaluation units according to the production process or operation activities. The Company adopts LEC evaluation method<sup>3</sup> to determine the safety risk hierarchy, and takes measures to reduce or control risks from various respects such as technology, management, system, and emergency. Meanwhile, the Company establishes a long-term mechanism for risk control and screening, combined with the hidden hazards screening and treatment system. The Company also treats the failure to implement or losing effectiveness of risk control measures as hidden safety hazards, ensuring that each safety risk is controlled within an acceptable range.

### Workflow of dual prevention system of Flat Glass



The Company attaches great importance to the cultivation and promotion of employees' safety awareness, and carries out the publicity and implementation work of safety production regularly. In 2024, the Company organized the safety production month activities to enhance the safety awareness of employees from various aspects such as building safety culture, deepening safety education, focusing on safety physical examination, and improving safety skills, so as to ensure the smooth implementation of safety production management.

<sup>3</sup> LEC evaluation method is a semi-quantitative safety evaluation method, which evaluates the risk level of operational casualties by product of the index values of the three factors, namely L (Likelihood, the likelihood of occurrence of an accident), E (Exposure, the frequency of personnel exposure to dangerous environment) and C (Consequence, possible consequences in the event of an accident).

### Case

#### Organizing safety production month activities for 2024



Focusing on the core theme of "everyone talks about safety, everyone may have an emergency - smooth life channel" on the 23rd national safety production month, combined with the strategic deployment of safety production, the Company organized a series of "safe production month" activities for all employees to improve their safety awareness, thus laying a solid foundation for the high quality and safety development.



Poster of safety production month      Safety knowledge competition      Deep inspection of safety production      Lecture on first aid knowledge

### [Column] Safety production management mechanism in the mining areas of Flat Glass

In addition to the production process of glass products, the Company also faces various risks of safety production in the mining process of quartzite mining areas. In order to ensure the dynamic management and control of safety production risks in the process of mining, the mining areas establish a continuous monitoring and management mechanism, covering the whole process from risk identification to dynamic early warning and emergency response. Moreover, the mining areas center on scientific monitoring means, strict management process and effective emergency disposal to ensure the safe production.

Always emphasizing personnel safety, the mining areas take systematic measures around many aspects including resource input, technique safety, personnel protection, equipment safety, technical safety, safety supervision, so as to ensure production safety and the health of employees.

#### Measures on safety production management in the mining areas of Flat Glass

Respects	Measures
Resource investment	<ul style="list-style-type: none"> <li>Set up a special safety fund for hidden hazard rectification, equipment update, safety training and emergency materials reserve.</li> <li>Provide full-time safety personnel as required.</li> <li>Set up safety protection facilities including isolation belt and protective guardrail.</li> </ul>
Technique safety	<ul style="list-style-type: none"> <li>Optimize technology design by adopting terrace mining technique and partition blasting.</li> <li>Standardize safety operation procedures and update process technique parameters regularly.</li> </ul>
Personnel protection	<ul style="list-style-type: none"> <li>Provide all on-site workers with standard personal protective equipment.</li> </ul>
Equipment safety	<ul style="list-style-type: none"> <li>Strictly implement the "equipment three-inspection" (pre-job, on-job and off-job inspection) system to maintain the equipment in a good condition.</li> <li>Install safety protection devices for large mechanical equipment.</li> </ul>
Technical security	<ul style="list-style-type: none"> <li>Adopt real-time monitoring technology to monitor the geological change, slope stability and equipment condition.</li> <li>Promote driverless vehicles and automated intelligent devices to reduce the direct participation of persons in dangerous operations.</li> <li>Utilize the mine information management system to realize the digital record of the whole process of hidden hazard screening and treatment to ensure the traceability of safety information.</li> </ul>
Safety supervision	<ul style="list-style-type: none"> <li>Organize regular hidden hazard screening every week, and carry out full-coverage safety inspection every month.</li> <li>Incorporate safety goals into the scope of performance assessment.</li> <li>Invite third-party safety assessment agencies to carry out a comprehensive safety assessment.</li> </ul>

In addition, the mining areas establish an emergency command center to improve the emergency plans, and carry out regular simulation drills to improve the emergency response capacity of all employees. At the same time, the mining areas ensure the reserve of sufficient emergency supplies including protective equipment, emergency lamps and rescue ropes, to ensure that emergencies can be handled quickly.



Onsite emergency drill in a mining area



Onsite emergency drill in a mining area

The main occupational-disease-inductive factors of the Company include high temperature, noise, dust, etc. The Company continues to improve the occupational health management system, and regularly entrusts a third-party professional organization to carry out the status quo evaluation of occupational disease hazards and occupational disease detection, identifies the occupational health hazards in the factories, and strengthen the protection of employees in the positions exposing to occupational disease risks. In 2024, the occupational disease examination rate of employees of the Company was 100%, and no employee was diagnosed with occupational disease<sup>4</sup>.

Key measures on preventing occupational disease hazards of Flat Glass in 2024



Equipped with devices for prevention of occupational diseases

- According to the requirements on prevention of occupational disease hazards, the operating employee in the positions exposing to occupational disease hazards shall be equipped with and be urged to use anti-dust masks (KN 95) and earplugs, etc.



Renovation of facilities

- Technical improvement for noise positions in the workshop to reduce the adverse effects of noise on employees.



Physical examination

- Pre-job: Screening the occupational contraindications to reduce the risks of occupational diseases.
- On-job: Conducting regular physical examinations for all employees involved in the occupational-disease-inductive factors.
- Off-job: Conduct special physical examinations to determine the health status of employees when stopping exposure to occupational-disease-inductive factors.

<sup>4</sup> The occupational diseases included in the statistics include the occupational diseases listed in the List of Occupational Diseases issued by the International Labor Organization, and the Classification and Catalogue of Occupational Diseases issued by the National Health Commission.

Certification of the occupational health management system of Flat Glass and its subsidiaries

Name	Certificates	Expiry date
Flat Glass Group Co., Ltd.	GB/T 45001-2020/ISO 45001: 2018	2027.8.9
Anhui Flat Solar Glass Co., Ltd.	GB/T 45001-2020/ISO 45001: 2018	2026.9.3
Zhejiang Jiafu Glass Co., Ltd.	GB/T 45001-2020/ISO 45001: 2018	2026.6.28
Flat (Vietnam) Company Limited	ISO 45001: 2018	2028.1.27



Metrics and Targets

The Company has set the targets for safety production management in 2024 that align with the targets for annual production and operation. Moreover, the Company has tracked the real-time progress of the targets, realizing the full implementation of the production safety work.

Metrics and targets for safety production management and achievement of Flat Glass in 2024

	Metrics	Targets	2024
Management	Rate of three-level safety education and training for employees	100%	100%
	Rate of work permits for special type of work	100%	100%
	Detection rate of special equipment and safety accessories, etc.	100%	100%
Rectification of hidden hazards	Perfectness ratio of safety facilities and equipment	100%	100%
	Rectification rate of serious safety hidden hazards	100%	100%
Accidents	Rectification rate of general safety hidden hazards	≥98%	99%
	Serious accidents	0	0
	Serious equipment, fire, explosion, and traffic accidents	0	0
	Occupational disease cases	0	0
	Special equipment accidents	0	0
	Costs of work-related injuries per capita	≤ RMB 30 per capita	16.9



## Human Capital Management

Adhering to the talent concept of "loyalty, integrity, professional and enterprising", the Company constantly increases the introduction, development and management of human resources, aiming to building an efficient, diligent, pioneering and innovative team.

### Governance

In strict accordance with the laws and regulations including the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China, the Company has formulated the Compilation of Human Resource Management Systems. In 2024, the Company updated and improved the Attendance Management System according to the actual situation of the Company. The Company has set up a Human Resources Department, which carries out the recruitment and training work under the supervision of the Board of Directors and the coordination of the ESG Committee.

#### Human Resource Management Policies of Flat Glass

##### Compilation of Human Resource Management Policies



- Personnel Management System
- Recruitment Management System
- Training Management System
- Employee Development Management System
- Performance Management System
- Remuneration Management System

### Strategy

According to the strategic needs of talent resource allocation, the Company sets Short term, medium-term and long-term targets from various aspects of employee skill improvement, echelon construction and diversified talent structure, and continuously optimizes its talent strategy. At the same time, the Company identifies the risks related to human capital management, establishes the Labor Compliance Risk Identification List, and takes measures to actively deal with them.

#### Identification of employee-related risks and tackling strategies of Flat Glass

Main types of risks / opportunities	Impact time horizons	Financial impacts	tackling strategies
Legal compliance risk	Medium and long term	Increased compliance costs	<ul style="list-style-type: none"> <li>Establish an appointment checking mechanism to ensure recruitment compliance, and strictly prohibit compulsory labor and the use of child labor.</li> <li>Improve employees' interests.</li> <li>Improve the remuneration and benefit system.</li> <li>Establish employee communication channels and caring mechanism.</li> </ul>
Corporate reputation risk	Medium and long term	Decreased revenue	<ul style="list-style-type: none"> <li>Implement the strategy of introducing all-round and top-notch talents.</li> <li>Establish a sound incentive and restraint mechanism.</li> <li>Strengthen the cooperation with well-known universities, research units and enterprises of relevant specialities at domestic and abroad.</li> </ul>
Human capital opportunity	Medium and long term	Increased revenue	

## Impact, Risk, and Opportunity Management

### Employees' rights and interests

Adhering to the recruitment concept of fairness, impartiality and openness, the Company establishes a sound recruitment and appointment process. The Company promises that it shall not discriminate against or treat employees based on their age, gender, birthplace, religion beliefs, marital status, and other factors, and strictly prohibits the employment of child labor or forced labor. The Company also issues the Code on Prohibition of Using Child Labor and Remedial Management of Child Labor and the Policy Statement on the Protection of Labor Rights and Interests, to prohibit the use of child labor and compulsory labor.

In 2024, the Company carried out recruitment through various channels including talent market open recruitment, campus recruitment, online recruitment, headhunting company agency recruitment, recruiting a total of 5,000 people. At the same time, the Company created flexible jobs by recruiting interns and re-employment after retirement. At the end of reporting period, the Company has a total of 7,898 employees.

The Company attaches great importance to the protection of employees' rights and interests and benefits. formulates the Salary Management System and Attendance and Leave Management System, continuously improves the rights and interests and welfare protection system, effectively combines the enterprise benefits with the interests of employees, and creates a positive, harmonious and stable working environment. During the reporting period, the Company had no acts of infringing employees' rights and interests, nor major labor disputes.

#### Safeguard systems of employees' rights, interests and benefits of Flat Glass

**Working hours and holidays**

- Working hours: Regular day-shift employees implement the standard 8-hour working system; production employees implement the comprehensive calculation working hour system or irregular working hour system after approval by the administrative department of labor security, and pay overtime wages according to the labor law.
- Holidays: Paid annual leave, marriage leave, funeral leave, maternity leave, sick leave and other statutory holidays.

**Remuneration and benefits**

- Salary: Including basic salary, performance bonus, overtime pay, etc; the Company shall pay salaries to all employees on time every month.
- Benefits: Pay five social insurance and one housing fund for all employees; provide education subsidies, seniority subsidies, heat subsidies, overtime allowance, hospitalization subsidies, holiday allowance, annual physical examination, etc., covering all employees; purchase supplementary commercial insurance for employees with one-year appointment on the job.

### Employee communication

The Company is committed to building an open and inclusive working environment, through email mailbox and collective negotiation. The Company has founded a trade union, and respects the rights of all employees to join the trade union and participate in collective bargaining in accordance with local laws. During the reporting period, the coverage rate of the union / labor agreements signed by the Company and its employees was 100%.

The Company has formulated the Regulations on the Management of Anti-Discrimination and Free Association, which respect employees' freedom of association and religion, open channels for discrimination and complaints, and take corrective actions when finding complaints. During the reporting period, the Company did not occur any employee discrimination incidents.

At the beginning of each year, the Company shall carry out employee satisfaction surveys from various aspects including the basic information, benefits, work and background of employees, corporate culture and management, sorting out the feedback and survey results, and timely rectify or improve those results with the low scores. In 2024, the employee satisfaction rate was 95.28%.



### Employee care

The Company attaches great importance to the physical and mental health of all employees, and cares employees in an all-round and multi-dimensional manner, aiming to creating a warm and healthy working environment. The Company timely gives care visits and expresses condolences to employees during holidays such as sick leave, marriage leave, funeral leave, and carries out additional assistance for special groups such as difficult employees. At the same time, the Company advocates a diversified and inclusive corporate culture, advocates gender diversity, protects the rights and interests of female employees, and ensures equal pay for equal work.

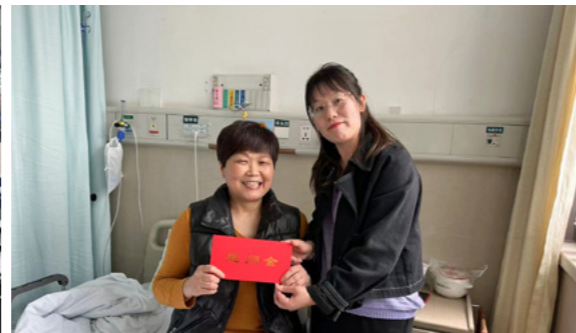
#### Case Setting up a care and mutual aid fund



The Company has set up a care and mutual aid fund, which pays care and consolation money for important personal events such as weddings and funerals. Demonstrating its humanistic care, the Company would immediately visit the employee who is hospitalized for illness, and give him/her care and consolation money. In addition, the Company also provides special difficulty subsidies to difficult employees, and subsidizes a certain proportion of medical expenses to employees suffering serious injuries or sickness.



Distribute consolation payments to employees



Employee hospitalization sympathy

#### Case Carrying out a series of activities on Women's Day



On Women's Day, Flat Group carefully planned and launched a series of activities, in order to pay a tribute to the power of women with action. This action aims to manifest the deep concern of the Company for the physical and mental health of female employees, while enriching their spiritual and cultural life, and showing the style and vitality of the female employees of Flat.



Eco-micro-landscape Handicraft DIY Activity



Eco-micro-landscape Handicraft DIY Activity

Upholding the team concept of "integration, modest and cooperation", the Company pays attention to the humanistic care of employees, and ensures work-life balance for employees. On festival occasions, such as Mid-Autumn Festival and Dragon Boat Festival, the Company would pay holiday benefits to employees, so as to improve the cohesion of the Company and the ownership mentality of employees.

#### Case Holding traditional festival activities



On the Dragon Boat Festival in 2024, in order to carry forward the traditional culture and enrich the cultural life of employees, Flat Group specially held the theme activity of "Love and Good Health Accompanies the Dragon Boat Festival".



Dragon Boat Festival theme activity

On the Mid-Autumn Festival in 2024, in order to further enhance the cohesive force in enterprise and the sense of belonging of employees, Flat Group organized the theme activity of "Welcome the Mid-Autumn Festival in the Moonlight".



Mid-Autumn Festival theme activity

### Employee training

The Company has formulated the Training Management System to improve the training system. The Human Resources Department of the Company carries out the training demand survey each year, and develops the annual training plan and training implementation proposal based on the survey and analysis results. The Company adopts the "apprenticeship" training mode to cultivate new employees, rotation employees and reserve talents. This model strengthens the talent team through fully leveraging the exemplary role of senior employees and excellent backbone. This model also ensures the steady improvement of the training quality through regularly evaluating and giving feedback on the learning results and teaching results of both teachers and apprentices.

In 2024, the Company carried out various business training programmes covering management ability and safety for all employees. Moreover, in order to promote the technical exchange and learning among employees and improve their professional skills, the Company regularly carried out skills competitions. During the reporting period, the Company carried out 1,188 trainings, with a total training expenditure of RMB 2.306 million, and a coverage rate of employee training was 100%.



Case

Carrying out sales communication and management training



In order to further improve the communication skills and customer management ability of the its sales staff, in September 2024, the Company carried out sales communication and management training toward quality control and sales for 44 employees. The training contents include sales contract management, sales pricing / order management, sales customer complaints management, sales receivables collection management, etc.



Onsite training

Case

Organizing the "Young Craftsman Competition"



On 25 May 2024, Flat Group organized a fierce skill competition for employees themed "Young Craftsman Competition". This competition aims to improve the professional skills of young employees and comprehensively promote the team building and development of technical talents, thereby providing solid technical support and talent guarantee for the Company to achieve its stable and sustainable development goals.



Employee skills competition scene

In addition to daily offline training activities, the Company also sets up an independent training and learning system. Targeting at internal and external employees of different majors at various levels, the training courses include leadership training for mid-level and senior management, business training for employees, etc. Except training by departments, all employees can conduct self-training and self-learning.

Online training system of Flat Glass



In addition, in order to improve the professional skills of employees and enhance their comprehensive quality, the Company also provides additional supports, including independent evaluation, tuition subsidies, training course resources, etc., for all employees, to help them obtain degrees, professional qualification certificates, and participate in training. During the reporting period, the continuing education and training fee of the Company was RMB 337,389 in total.

Employee development

The Company formulates the Employee Development Management System, provides smooth promotion paths for all employees by building both management and technical ladders, and selects and promotes employees based on their performance and abilities.

The Company formulates the Performance Management System, and regularly conducts monthly, quarterly, annual performance appraisal and feedback work following the principle of "fair and just, level-by-level assessment, continuous improvement". Moreover, the Company develops different performance appraisal standards according to different positions, and links the appraisal results with the individual performance bonus of all employees, so as to give full play to the positive incentive effect of the performance appraisal.

In order to further motivate employees and improve their loyalty, the Company implements the Restricted A-share Incentive Scheme and the A-share Stock Option Incentive Scheme toward middle and senior management, and key technical personnel. In 2024, the Company unlocked 1,000,000 restricted shares that fulfilled the conditions for unlocking during the lock-up period.

Unlocking under the Restricted A-share Incentive Scheme of Flat Glass

Date	Number of shares	Participants	Percentage of total share capital
14 June 2024	140,000	3	0.0060%
3 September 2024	860,000	14	0.0367%

Note: Since the convertible bonds are in the conversion period, the "total share capital" in the table is based on the total share capital on the announcement date of unlocking.

Metrics and Targets

The Company has established a metric- and target-tracking mechanism by regularly tracking the metrics and targets related to human capital management.

Metrics and targets for employee training and development management, and achievement of Flat Glass in 2024

Metrics	Targets	2024
Coverage rate of employee training	100%	100%



# Jointly Building a Beautiful Community

Adhering to the core values of "fusion and symbiosis, creation and sharing", in strict accordance with the Charity Law of the People's Republic of China and Law of the People's Republic of China on Donations for Public Welfare, the Company focuses on various fields including poverty alleviation, education, child care, environmental protection, actively participates in public welfare, and continues to give Flat power to the society. During the reporting period, the Company invested a total of RMB 1.6614 million in public welfare and charitable activities.

Since its establishment, the Company has always been unwaveringly fulfilling its social responsibilities, actively establishing a volunteer team, carrying out a series of charity activities and blood donation activities. Moreover, the Company has been actively responding to the national call for rural revitalization, consolidating the achievements of poverty alleviation, and promoting the vigorous development of public welfare with practical actions.

## Case Carrying out a series of charitable activities



On 31 July 2024 the Company assembled a team of volunteers full of enthusiasm and dedication to carry out charitable activities for one month.



☒ Distribute cool gift bags to outdoor workers



☒ Carry out environmental protection charitable activities to pick up garbage



☒ Visit the disabled families in Xiangxian New Village



☒ Visit the children in the welfare homes

## Case Organizing blood donation theme activities on "Learn from Lei Feng Day"



On 5 March 2024, Flat Group organized the "Love Blood Donation" activities in the morning of the "Learn from Lei Feng Day", for the purpose of inheriting the spirit of Lei Feng, actively fulfilling social responsibilities, and carrying forward the positive energy in the new era. Flat people has practiced the spirit of Lei Feng in the new era with their practical actions, manifesting their the responsibility and commitment.



☒ Onsite blood donation activities



# 03



## Governance



# Consolidating the Foundation of Governance through Sound Operation

Flat Glass consolidates the foundation of corporate governance through increasingly improvement, deepens risk management while sticking to the bottom line of compliance operation, and protects the legitimate rights and interests of all shareholders while adhering to business ethics.

## Issues addressed in this chapter

-  Corporate governance
-  Compliance and risk management
-  Business ethics and anti-corruption
-  Anti-unfair competition



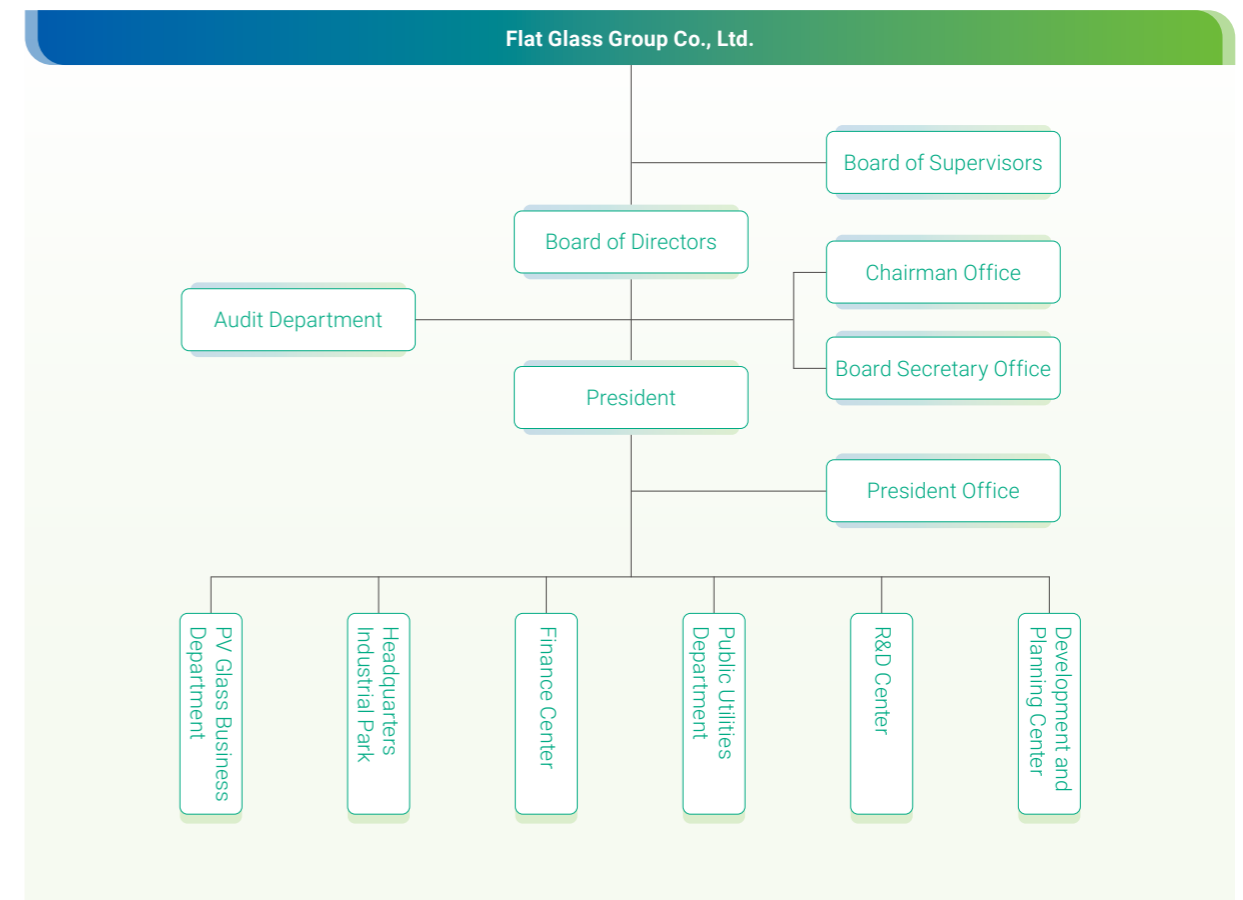
## Enhancing Corporate Governance

### Governance

As an A+H share dual listing company, the Company regulates the corporate governance pursuant to the relevant requirements of the Company Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies and the listing rules of the Shanghai Stock Exchange and the Stock Exchange of Hong Kong and other offshore listing places. The Company establishes a corporate governance structure consisting of the Shareholders' General Meeting, the Board of Directors, the Board of Supervisors and the senior management ("Three Meetings and One Management"), defines the scope of duties of the Three Meetings and One Management, and ensures standardized and transparent corporate governance.

In 2024, the Company amended the systems including the Articles of Association and the Rules of Procedures of General Meetings. The Company also formulated the Accounting Firm Engagement System of the Company and the Futures and Derivatives Trading Management System of the Company to standardize the behavior of engaging accounting firms and the trading behavior of futures and derivatives.

### Corporate governance structure of Flat Glass



### Shareholders' General Meeting

As the Company's highest authority, it shall exercise the voting rights on material matters including the business policies of the enterprise, the appointment and removal of directors, fundraising, investment, profit distribution in accordance with laws.

The Articles of Association provides that the Shareholders' General Meeting shall determine the remuneration of directors and supervisors. In 2024, the Company hold the Shareholders' General Meeting to consider and approve the Proposal on Determination of the Remuneration of the Directors for 2024 and the Proposal on Determination of the Remuneration of the Supervisors for 2024, for determination of the remuneration of the directors and supervisors.

### Board of Directors

It shall exercise the right to make decisions on operations of the enterprise in accordance with laws, and be responsible for the establishment and supervision of the internal control system of the Company; each of five committees, namely the Strategic Development Committee, the Nomination Committee, the Audit Committee, the Remuneration Committee and the Risk Management Committee, under the Board of Directors, as well as the special meetings of the independent directors shall make advises on material matters of the Company.

### Board of Supervisors

As the supervisory body of the Company, it shall supervise the the performance of duties by directors, President and other senior management in accordance with laws.

### Senior management

It shall preside over the production, operation and management of the Company, and organize the implementation of the proposals of the Board of Directors.

## Strategy

The Company actively identifies, evaluates and manages the risks related to corporate governance, constantly improves the corporate governance system, and further standardizes the operation of the Company.

### Identification of corporate governance risks and tackling strategies of Flat Glass

Major risk types	Impact time horizons	Financial impacts	Tackling strategies
Validity of the Board of Directors	Medium and long term	Increased compliance costs	<ul style="list-style-type: none"> <li>In accordance with the requirements of relevant laws, regulations including the Company Law and the Articles of Association, the Company shall effectively ensure the effectiveness, professionalism, diversification and independence of the Board of Directors, carry out annual review and strengthen information disclosure in annual reports, and continuously improve the level of corporate governance.</li> </ul>
Professionalism of the Board of Directors			
Diversification of the Board of Directors			
Independence of the Board of Directors			
Violation of information disclosure			<ul style="list-style-type: none"> <li>Improve the management system of information disclosure, and improve the quality and transparency of information disclosure.</li> </ul>
Insufficient protection of shareholders' interests	Medium and long term	Increased compliance costs Decreased revenue	<ul style="list-style-type: none"> <li>Enhance investor communication.</li> <li>During A-share repurchase period, the directors, supervisors, and senior management, controlling shareholders, de facto controllers and shareholders holding more than 5% of the shares of the Company voluntarily promise not to underweight shares of the Company.</li> <li>Formulate the Shareholder Dividend Return Plan in the Next Three Years (2022-2024), establish and improve an effective shareholder return mechanism, and pay attention to the reasonable investment return for investors while taking into account the sustainable development of the Company.</li> <li>Implement share repurchase within the authorization period in line with the market conditions, increase reports to investors, and make timely information disclosure according to relevant regulatory rules.</li> </ul>

## Impact, Risk, and Opportunity Management

In 2024, the Company strictly complied with the requirements of the corporate governance system to ensure that the convening and voting procedures of three meetings were legal and compliant, and the resolutions made were legal and effective. The directors of the Company possess the necessary management experience and operation management ability to perform their duties, and continue to update the knowledge and skills of corporate governance practices through internal and external training and learning. The Company insists on and improves the employee supervisor mechanism, establishes two employee supervisors, and achieves orderly participation of employee representatives in corporate governance.

In November 2024, the Company successfully completed the election of the Board of Directors and the Board of Supervisors, further consolidating the decision-making and supervision mechanism, and providing a solid guarantee for the high-quality development of the Company.

### Members and background of the Board of Directors of Flat Glass

Type	Name	Gender	Education background	Industry experience	Expertise	
					Risk management	Financial management
Executive director	Ruan Hongliang	Male	Business administration	√	√	√
Executive director	Jiang Jinhua	Female	Master in business administration	√	√	√
Executive director	Wei Yezhong	Male	Engineer	√		
Executive director	Shen Qifu	Male	Machinery manufacturing and equipment	√		
Executive director	Ruan Zeyun	Female	Master in management	√	√	√
Independent non-executive director	Xu Pan	Female	Doctor in accounting			√
Independent non-executive director	Ng Yau Kuen Carmen	Female	Master in business administration Master of Laws in enterprise and financial Law		√	√
Independent non-executive director	Du Jian	Female	PhD in Management Science and Engineering		√	√

The business of the Company shall be independent from the controlling shareholder or any other related parties, and there shall not be any competition or manifestly unfair related party transactions between the Company and such controlling shareholder, de facto controller or any enterprises controlled by them, nor such controlling shareholder shall make use of his/her position directly or indirectly interfere in the decision-making, production and operations of the Company.

For details of corporate governance, please refer to the Corporate Governance section set out in the Flat Glass Group Co., Ltd. 2024 Annual Report.

### Information disclosure

The Company attaches great importance to information disclosure, strictly abides by relevant laws and regulations on information disclosure, truthfully, accurately, completely and timely discloses important information including the Company's business operations, financial conditions and major transactions, so as to provide guarantee for investors to understand relevant information in a timely and accurate manner and make investment decisions.

In accordance with the requirements of the regulatory authorities and Shanghai Stock Exchange and the Hong Kong Stock Exchange, the Company has put in place the internal management systems including the Information Disclosure Management System, the Internal Reporting System for Material Information, the Registration and Reporting System for Informants of Insider Information to regulate the Company's information disclosure behavior.

In 2024, the Company disclosed 120 announcements on A Shares and 74 announcements on H Shares, without violation of relevant regulations and systems including the Listing Rules of the Stock Exchange and the Articles of Association. According to the assessment results of 2023-2024 annual information disclosure of the SSE, the Company received the highest rating "A" for the first time.

### Investor relations management

The Company is striving to maintaining the relationship and effective communication with shareholders and investors, actively improve investor returns and formulates the Investor Relations Management System to continuously strengthen the information communication between the Company and investors and improve the operation transparency of the Company to effectively protect the interests of investors.

The Company promotes investor communications by various means and channels, such as shareholders' general meeting, www.sseinfo.com, IR email, investor hotline, and investor meeting. The Company also holds regular results presentations, actively responds to the concerns of the investors, enabling the investors to have a comprehensive understanding of the operating results and financial position of the Company, with an view to transfer the investment value of the Company.

The Company formulated the Action Plan of "Improving Quality, Increasing Efficiency and Focusing on Return" in 2024, to establish a sound and effective shareholder return mechanism, which attaches equal importance to sustainable development of the Company as well as providing reasonable return to investors. The Company enhances the transparency of cash dividends, effectively maintains and increases return to shareholders, as well as perfects and improves dividend decision-making and supervision mechanism of the Company.

In 2024, the Company took into comprehensive consideration the reasonable returns to investors and development of the Company. In July, based on its cash position and a total of 2,334,788,681 shares, the Company paid a cash dividend of RMB 3.80 (tax inclusive) per 10 shares to all shareholders, totaling RMB 887,219,698.78 (tax inclusive). In December, based on a total of 2,333,452,621 shares, the Company paid a cash dividend of RMB 1.30 (tax inclusive) per 10 shares to all shareholders, totaling RMB 303,348,840.73 (tax inclusive).









### Metrics and Targets

The Company is committed to improving corporate governance, and continues to promote the diversification, independence, effectiveness and professionalism of the Board of Directors.

#### Metrics and targets of corporate governance management, and achievement of Flat Glass in 2024

Metrics	Targets	2024
Percentage of female directors	> 50%	62.50%

#### Composition of the Board of Directors and the Board of Supervisors, and convening of related meetings of Flat Glass in 2024

Composition of the Board of Directors and the Board of Supervisors		Convening of three-meeting	
 8 Directors on the Board of Directors. Among them, 5 are female Directors, accounting for 62.50%	 4 Shareholders' General Meetings, at which a total of 32 proposals were considered		
 5 executive Directors	 14 meetings of the Board of Directors, at which a total of 65 proposals were considered		
 3 independent non-executive Directors, accounting for 37.50%	 16 meetings of special committees under the Board of Directors 2 special meetings of independent directors		
 5 supervisors on the Board of Directors of Supervisors. Among them, 2 are employee supervisors	 8 meetings of the Board of Supervisors, at which 28 proposals were considered		



## Deepening Risk Management

Adhering to the compliance concept of "all employees starting from the top-level shall actively act in compliance to create value, and pursue compliance in an efficient and practical manner", the Company follows the compliance management principle of "comprehensive coverage, strengthening responsibility, coordination and interconnection, objective and independent" to carry out compliance and risk management, with a view to ensuring the compliance operation of the Company.

### Governance

The Company formulates the Compliance Manual of Flat Group to further improve the establishment of compliance management system. The Company sets up the Compliance Committee under the Risk Management Committee of the Board of Directors, with the president as chief compliance officer. Through building a top-down governance structure of "decision-management-execution", the Company ensures the compliance and risk management work proceed in an orderly manner.

#### Structure of compliance and risk governance of Flat Glass

##### Board of Directors

- Take ultimately responsibility as the decision-making body for compliance management.

##### Risk Management Committee of the Board of Directors

- Responsible for reviewing the strategic plan of compliance management, basic compliance system and plan on establishing compliance system, as well as determining the appointment and removal of compliance management officers and other major matters related to compliance management.

##### Compliance Management Committee

- Establish and improve the organizational structure of compliance management, lead the work of the Compliance Management Department, and submit compliance reports to the Risk Management Committee.

##### Legal Affairs Department

- Coordinate the compliance specialists of various business departments and base offices, and actually responsible for executing the compliance work.



## Strategy

In the event of any non-compliance acts committed by each unit or employee, the enterprise or an employee may face various compliance risks including regulatory punishment, legal disputes, business interruption or termination, economic loss, reputation impact, personal casualties, criminal liability. The Company shall establish a sound compliance management system, and strive to improve the abilities of each unit in terms of corporate governance, compliance operation and standardized management according to law, with a view to effectively identifying and managing compliance risks, as well as maintaining a good reputation for the Group.

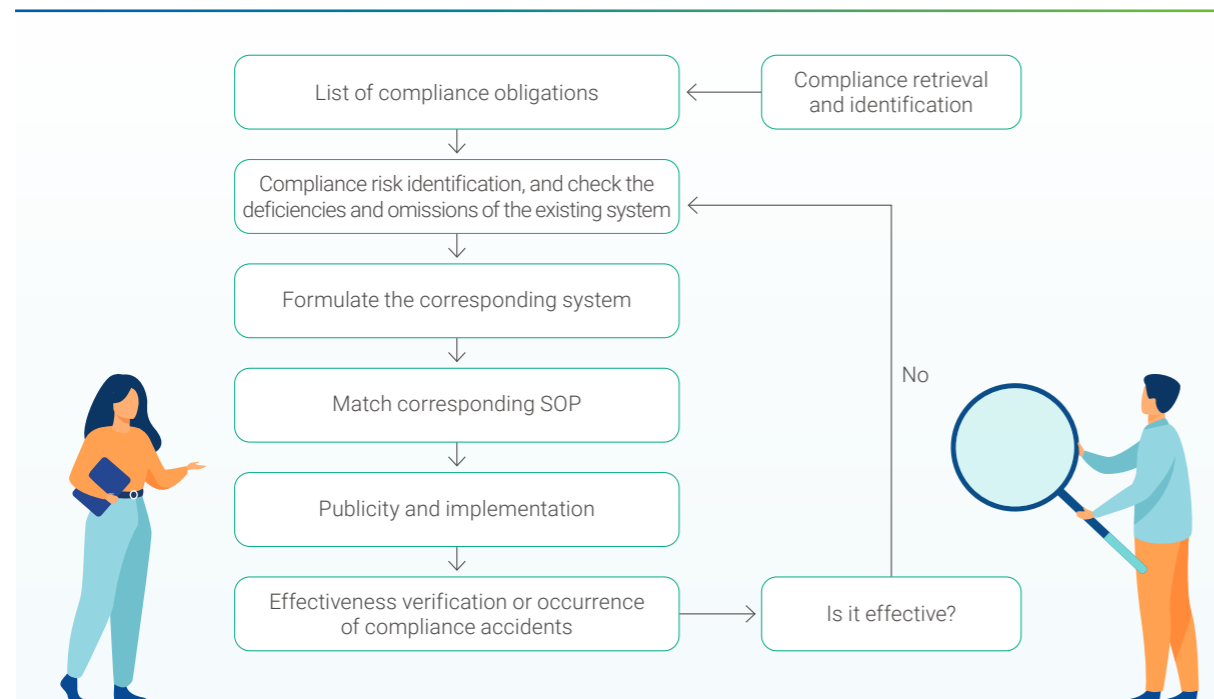
### Identification of main risks and tackling strategies of Flat Glass

Risk types	Impact time horizons	Financial impacts	Tackling strategies
Labor compliance risk, intellectual property risk and other compliance risks	Medium or long term	Increased compliance costs Decreased revenue	<ul style="list-style-type: none"> <li>Carry out special publicity and implementation work regularly.</li> <li>Add compliance review in the workflow.</li> <li>Carry out anti-infringement investigations.</li> <li>Normalize the examination of compliance and risk management.</li> </ul>
Other sustainability related risks			See the issues of this report

## Impact, Risk, and Opportunity Management

The Company establishes a compliance workflow, and continuously improves the compliance system system by ways of compliance retrieval and identification, establishment of a list of compliance obligations, and risk identification. At the same time, the Company regularly carries out the work related to compliance publicity and implementation, with a view to improving the compliance awareness of the employees, implementing the compliance management, and ensuring the effectiveness of compliance management.

### Process of compliance risk management of Flat Glass



In 2024, the Company completed the publicity and implementation of a number of special compliance measures involving energy-saving sales, procurement centers, PV sales, labor force, clean governance compliance, and declaration of conflict of interest.

### Case

#### Organizing compliance training for the first half of 2024



In order to further strengthen the compliance management of the Group and improve the employees' understanding and implementation of compliance standards, on April 29, Flat Group held a compliance training for the first half of 2024. More than 600 persons from the group directors, supervisors and the business divisions, industrial parks, centers and subsidiaries of the Company participated in the training through on-site or cloud video.



Onsite training



Onsite training

In 2024, the Company developed an annual audit plan, and based on the risks identified in the internal audit in 2023, identified the risk factors that call for special attention in the audit process. Focusing on such risk factors, the Company carried out relevant internal audit activities, and regularly issued internal control audit reports to the public. The Company prepared the internal audit evaluation reference database and circulate such database internally, by putting emphasis on sorting out internal control systems and processes related to procurement, sales, inventor and other business operations. In 2024, the Company carried out 64 audit projects of various types and made 193 audit recommendations, thereby promoting the standardization and improvement of the internal management of the Company.

## Metrics and Targets

The Company aims to continuously improve the compliance management system, and strives to build a compliance system in two areas every year. In 2024, the Company initially completed the establishment of a compliance system in the fields of human resource and intellectual property.

### Compliance management targets and achievement of Flat Glass in 2024

Targets	2024
Establish a compliance system in two areas every year	Achieved





# Adherence to Business Ethics

## Business Ethics and Anti-corruption

### Governance

The Company always believes that "standardized business practices and honest and clean corporate culture are the cornerstones of the sound development of an enterprise". In strict compliance with the Anti-Unfair Competition Law of the People's Republic of China and the Interim Provisions on Banning Commercial Bribery, the Company has formulated the Fraud Prevention and Whistle-blowing Encouragement System and issued the Anti-Corruption Compliance Management Statement, to standardize the business conduct of the Company. The Company has built a top-down business ethics and anti-corruption management structure, established a long-term mechanism for corporate governance of commercial bribery, corruption and fraud, thus effectively protecting the interests of the company.

### Business ethics and anti-corruption management structure of Flat Glass

<b>Board of Directors</b>	Determine the objectives of anti-corruption management and take responsibility for the effectiveness of anti-corruption management.	
<b>Senior management</b>	Responsible for implementing anti-corruption management practices.	
<b>Board of Supervisors</b>	Supervise the performance of the Board of Directors and senior management in anti-corruption management.	

### Strategy

The Company actively identifies, evaluates and manages risks related to business ethics and anti-corruption, constantly improves the management system, and effectively manages and controls corruption, bribery and other related risks in the whole value chain of the Company.

### Risks related to business ethics and anti-corruption identified by and management strategies of Flat Glass

Risks	Impact time horizons	Financial impacts	Management strategies
Internal corruption and bribery	Medium and long term	Increased compliance costs Decreased revenue	<ul style="list-style-type: none"> <li>Improve the system for managing business ethics and anti-corruption.</li> <li>Carry out special audits.</li> <li>Establish a complaint platform, and set smooth the internal whistle-blowing channels.</li> <li>Strengthen the publicity and implementation of training related to business ethics.</li> </ul>
Supplier bribery risk			
Corruption risk of procurement personnel			

## Impact, Risk and Opportunity Management

The Company strictly implements bribery and corruption risk monitoring and identification, conducts regular and systematic risk assessments on various business departments of the Company based on historically high-risk points and anti-corruption policies, conducts internal special business ethics audits of key corruption risk points, and ensures that special audits are carried out once a year and that a company-wide anti-corruption audit is completed within three years.

The Company provides smooth whistle-blowing channels(WeChat mini-programs, telephone hotline, emails, and letters, etc.) for employees, and encourages them to make real-name or anonymous complaints and whistle-blowing against corrupt behavior. The Audit Department of the Company shall carefully investigate the whistle-blowing matters and report them to the senior management, ensuring that all the whistle-blowing matters are properly handled and that appropriate corrective measures are taken. In strictly accordance with the state laws and regulations and the confidentiality requirements for whistle-blower and whistle-blowing information, the Company shall keep confidential during the every process of acceptance, registration, storage and investigation, and eliminate and combat the retaliatory acts against the whistle-blower or relevant witnesses.

### Whistle-blowing and handling process of Flat Glass



### Case

### Mobilizing the learning for clean governance



On 13 December 2024, the chairman of the Group delivered a mobilization talk on the learning for clean governance during the compliance training in the second half of the year, promoting the adherence to the operating philosophy of integrity, clean and compliance. More than 1,000 participants from various departments of the Group ( including the Board of Directors, the Board of Supervisors, the Senior Management, the Company's business divisions, industrial parks, centers, as well as subsidiaries) attended the training.



Onsite training



The chairman of the Group delivered a mobilization talk on the learning for clean governance

## Metrics and Targets

The Company has continued to monitor the number and coverage of persons participating in anti-commercial bribery and anti-corruption training. The Company has set training targets to ensure the implementation of clean publicity. During the reporting period, the Company had no concluded corruption litigation cases.

### Anti-commercial bribery and anti-corruption training of Flat Glass in 2024

Management metrics	Targets	2024
Percentage of the members of the Board of Directors who received anti-commercial bribery and anti-corruption training	100%	100%

## Anti-unfair Competition

### Anti-monopoly

In strict accordance with the Anti-Monopoly Law of the People's Republic of China and the Anti-Unfair Competition Law of the People's Republic of China, the Company establishes an Anti-Monopoly Compliance Leading Group with the president as the leader, and issues the Guidelines of Anti-monopoly Compliance of Flat Group to ensure responsible trading, free and fair competition.

In addition, the Company sets up the due diligence process for investment, financing and acquisition, and extracts the financial data of both parties in the due diligence stage to judge whether they meet the conditions of declaration of concentration of business operators. If the conditions are met, the Company will actively report to the management for declaration of concentration of business operators before the signing of legal documents.

### Protection of Intellectual Property Rights

In accordance with relevant laws and regulations including the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Company formulates internal control system such as the Measures for Intellectual Property Management. While protecting its own patent rights and technical secrets, trademark rights, trade secrets and copyright interests against infringement, the Company conducts anti-infringement investigation to avoid infringement of others' intellectual property rights.

In 2024, the Company reported a case of infringing on the exclusive right to use registered trade mark to the Jiaxing Municipal Market Supervision and Administration Bureau. This case was transferred to the public security organ for handling.

### Responsible Marketing

Strictly following relevant laws and regulations including the Advertising Law, the Company attaches importance to its own brand image, and carries out marketing and publicity work in compliance. When presenting information, sales policies and technical documents, various specification tables shall be followed, and the use of product labels shall not be used. The Company conducts training for marketing staff to ensure that they can present clear and accurate product information to customers during product promotion. The Company shall not exaggerate the introduction or publicity during product promotion.

#### Management measures of responsible marketing of Flat Glass in 2024

- Set up a compliance review process for publicity documents. Before going out for training, the advertising and technical staff of the Company shall transfer the PPTs of publicity and technical presentation content to the Legal and Compliance Department for review. If passed review, such PPTs can be released or publicized.
- Conduct responsible marketing training and assessment for sales staff on a monthly basis.

In 2024, the Company did not find any violations of product and service information and marks, or violations of marketing and publicity regulations.

## ESG Data Tables and Notes

### Economic Performance

Metrics	Unit	2022	2023	2024
Revenue	RMB'0,000	1,546,084	2,152,371	1,868,260
Total profit	RMB'0,000	215,288	305,181	112,851
Net asset per share	RMB	6.54	9.45	9.30
Social contribution value per share <sup>1</sup>	RMB	1.47	2.10	1.29

Note 1: [Calculation method] The data for 2024 was calculated using the following formula: social contribution value per share = basic earnings per share + (total tax payments + total employee wages and benefits paid by the company + interest on borrowings from banks and other creditors + value created for other stakeholders such as donations - other social costs due to environmental pollution, etc.) / total number of shares issued by the company. The data for 2022 and 2023 was calculated using the following formula: social contribution value per share = (net profit of the Company + taxes created for the country during the year + salaries paid to employees + interests paid on borrowings to banks and other creditors + amount of value (such as external donations) created for other stakeholders - other social costs caused by environmental pollution, etc.) / total number of shares of the Company.

### Environmental Performance

Metrics	Unit	2022	2023	2024
<b>Emission and Waste Management</b>				
Total exhaust gas emissions	m <sup>3</sup>	20,318,513,110	30,771,623,657	31,418,592,058
Exhaust gas emissions per unit of revenue	m <sup>3</sup> /RMB'0,000	13,142	14,297	16,817
Nitrogen oxides (NO <sub>x</sub> ) emission	kg	3,487,232	2,912,232	2,628,709
Sulphur dioxide (SO <sub>2</sub> ) emission	kg	2,649,823	2,503,965	2,187,721
Particulate matter (PM) emissions	kg	248,975	214,692	191,893
Industrial waste water emissions	m <sup>3</sup>	3,169,111	5,248,046	5,586,983
Industrial waste water emissions per unit of revenue	m <sup>3</sup> /RMB'0,000	2.05	2.44	2.99
Ammonia nitrogen emissions intensity	mg/L	5	5	5
Chemical oxygen demand (COD)	Ton	139	158	195
Ammonia nitrogen indirect emissions	Ton	--	--	20
Total hazardous waste	Ton	215	190	583 <sup>1</sup>
Hazardous waste generated per unit of revenue	Ton/RMB'0,000	0.14	0.09	0.31
Total non-hazardous waste	Ton	26,643	32,825	29,382
Non-hazardous waste generated per unit of revenue	Ton/RMB'0,000	17.23	15.25	15.73
Waste recycling usage <sup>2</sup>	Ton	--	--	279,381
<b>Greenhouse gas emissions</b>				
Total GHG emissions	tCO <sub>2</sub> e	3,745,884	5,542,373	5,820,534
GHG emissions per unit of revenue <sup>3</sup>	tCO <sub>2</sub> e/ RMB'0,000	2.42	2.58	3.12
Scope 1 GHG emissions <sup>4</sup>	tCO <sub>2</sub> e	2,541,120	3,797,901	4,547,423
Scope 2 GHG emissions <sup>5</sup>	tCO <sub>2</sub> e	1,204,764	1,744,473	1,273,112

Metrics	Unit	2022	2023	2024
<b>Energy utilization</b>				
Total direct energy consumption <sup>6</sup>	MWh	10,496,194	16,243,656	15,750,689
	ton of standard coal	---	---	1,765,515
Direct energy consumption per unit revenue	MWh/RMB'0,000	6.79	7.55	8.43
Total indirect energy consumption <sup>7</sup>	MWh	2,112,509	3,058,868	2,372,553
	ton of standard coal	---	---	291,587
Indirect energy consumption per unit revenue	/RMB'0,000	1.37	1.42	1.27
Total energy consumption	MWh	12,608,703	19,302,524	18,123,242
	ton of standard coal	---	---	2,057,102
Total energy consumption per unit revenue	MWh/RMB'0,000	8.16	8.97	9.70
	ton of standard coal/RMB'0,000	---	---	1.10
Total fuel oil consumption	L	409,036,744	831,678,961	638,138,762
Total natural gas consumption	m <sup>3</sup>	350,942,471	665,939,350	811,082,213
Gasoline consumption of self-owned vehicles	L	4,000	3,728	4,022
Diesel fuel consumption of self-owned vehicles	L	1,059,615	1,826,655	1,882,659
Total electricity consumption	MWh	2,419,590	3,681,243	2,931,874
<b>Water resource utilization</b>				
Total water consumption	m <sup>3</sup>	8,825,732	12,995,772	11,337,902
Water consumption per unit of revenue	m <sup>3</sup> /RMB'0,000	5.7	6.04	6.07
Recycled water consumption	m <sup>3</sup>	4,045,051	4,288,738	6,908,522
Total use of packaging materials	Ton	5,686	8,609	9,191
Packaging materials per unit of revenue	Ton/RMB'0,000	0.0037	0.0040	0.0049
Amount of heavy administrative penalties imposed by the Ministry of Ecology and Environment or other relevant departments due to environmental events during the reporting period	RMB'0,000	---	---	0
Volume of office paper usage	Ton	24	21	16

Note 1: The Company regularly cleans fuel oil storage tanks according to the quality of fuel oil, and an additional 383.86 tons of fuel oil tank sludge was cleaned in 2024, so the total amount of hazardous waste increased significantly.

Note 2: The recycling amount of waste includes socially reusable waste materials, such as scrap metal, waste paper board, waste nylon paper, waste wood, and waste packaging belts recycled inside the company, which are not included in the statistical category of the total amount of waste.

Note 3: Due to the decline in revenue, the Company experienced fluctuations in GHG emissions per unit of revenue in 2024. Placing clean technology innovation at the core of its strategy, the Company will continue to strengthen climate issue management to achieve long-term and stable reductions in greenhouse gas emissions.

Note 4: The sources of Scope 1 greenhouse gas emissions include carbon dioxide generated from fuel oil, natural gas, gasoline consumption of owned vehicles, and diesel consumption of owned vehicles. The calculation methods for carbon emissions from fuel oil and natural gas refer to recommended values of related parameters in the GHG Emissions Accounting and Reporting Requirements Part 7 for Plate Glass Manufacturers (GB/T 32151.7 – 2015). The carbon dioxide emission factors for gasoline and diesel consumption of owned vehicles refer to How to Prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs issued by Hong Kong Stock Exchange.

Note 5: The source of Scope 2 greenhouse gas emissions is purchased electricity, and the Company used a location-based methodology for its calculations. The carbon emission factor for purchased electricity in 2024 is from the Announcement on the Carbon Dioxide Emission Factor of Electricity in 2022 released by the Ministry of Ecology and Environment and the National Bureau of Statistics in 2024 (0.5366 kgCO<sub>2</sub>/kWh). The factors for 2022 and 2023 are from the national grid emission factor published by the Ministry of Ecology and Environment of the People's Republic of China in 2023 (0.5703 kgCO<sub>2</sub>/kWh).

Note 6: Direct energy consumption types include fuel oil, natural gas, gasoline consumption of owned vehicles, diesel consumption of owned vehicles, and photovoltaic power generation. The direct energy consumption is calculated based on the average lower heating value coefficients of energy published in the "China Energy Statistical Yearbook" by the National Bureau of Statistics.

Note 7: The type of indirect energy consumption is purchased electricity.

## Social Performance

### Number of Employees

Metrics	Unit	2022	2023	2024
Total employees	Person	7,766	8,337	7,898
By gender	Male	5,506	5,957	5,777
	Female	2,260	2,380	2,121
By employment type	Labor contract	7,693	8,240	7,759
	Other types of employment <sup>1</sup>	73	97	139
By age group <sup>2</sup>	>50 years old	514	585	667
	30 to 50 years old	4,689	5,093	4,915
	<30 years old	2,490	2,562	2,177
By geographical region <sup>3</sup>	Employees in mainland China	6,841	7,402	7,013
	Employees in Hong Kong, Macau, and Taiwan as well as overseas	852	838	746

Note 1: The company's other forms of employment include reemployment after retirement and labor outsourcing.

Note 2: The number of employees categorized by age group includes only employees under labor contracts.

Note 3: The number of employees categorized by region includes only employees under labor contracts.

### Employment and Labour Practices Performance

Indicator	Unit	2022	2023	2024
Times of penalties imposed for violations of employment and labor laws and regulations	Time	0	0	0
Total number of employee discrimination incidents	Incident	0	0	0
Total labor dispute incidents	Incident	0	0	0
Employee turnover number	Person	1,051	1,532	1,782
By gender	Male	659	990	1,166
	Female	392	542	616
By employment type	Labor contract	954	1,487	1,701
	Other types of employment	97	45	81
By age group	>50 years old	78	93	156
	30 to 50 years old	494	907	1,038
	<30 years old	479	532	588
By geographical region	Employees in Mainland China	746	1,325	1,601
	Employees in Hong Kong, Macau, and Taiwan as well as overseas	305	207	181

Indicator		Unit	2022	2023	2024
Employee turnover rate <sup>1</sup>		%	13.53	18.38	22.56
By gender	Male	%	11.97	16.62	20.18
	Female	%	17.35	22.77	29.04
By employment type	Labor contract	%	12.40	18.05	21.92
	Other types of employment	%	132.88	46.39	58.27
	>50 years old	%	15.18	15.90	23.39
By age group	30 to 50 years old	%	10.54	17.81	21.12
	<30 years old	%	19.24	20.77	27.01
By geographical region	Employees in Mainland China	%	10.90	17.90	22.83
	Employees in Hong Kong, Macau, and Taiwan as well as overseas	%	35.80	24.70	24.26
Employee training investment		RMB 0,000	319.5	335	230.6
Employee training times		Time	--	--	1,188
Employee training coverage <sup>2</sup>		%	100	100	100
By gender	Male	%	100	100	100
	Female	%	100	100	100
By management level	General employee	%	100	100	100
	Mid-level employee	%	100	100	100
	Management employee	%	100	100	100
Average hours of training per employee per year for all employees		Hour	72.4	72.6	74.78
By gender	Male	Hour	60.7	72.6	76.20
	Female	Hour	100.7	72.7	70.91
By management level	General employee	Hour	73.0	72.7	75.21
	Mid-level employee	Hour	25.0	72.0	70.81
	Management employee	Hour	50.0	72.0	41.74
Safety education training coverage		%	100	100	100
Number of work-related fatalities		Person	0	0	0
Rate of work-related fatalities		%	0	0	0
Number of lost-days due to work injuries		Day	4,783	4,330	3,248
Amount of injury insurance coverage for employees		RMB 0,000	--	--	622.00
Rate of injury insurance coverage for employees		%	--	--	100

Note 1: Employee training coverage rate is calculated using the following formula: Employee training coverage rate = Number of employees trained in that category / Total number of employees in that category × 100%.

Note 2: Employee turnover rate is calculated using the following formula: Employee turnover rate = Total number of employees turnover / Total number of employees at period end × 100%.

### Supply Chain Management Performance

Indicator		Unit	2022	2023	2024
Total number of suppliers		Supplier	2,427	2,450	2,420
By geographical region	Mainland China	Supplier	2,163	1,983	2,021
	Hong Kong, Macau, and Taiwan as well as overseas	Supplier	264	467	399

### Product Responsibility Performance

Indicator		Unit	2022	2023	2024
Percentage of total products sold or shipped that are subject to recall for safety and health reasons		%	0	0	0
Amount involved in the damage caused by serious safety and quality accidents related to the products and services during the reporting period		RMB 0,000	--	--	0
Number of customer complaints received due to product quality or service		Time	699	588	721
Complaint handling rate <sup>1</sup>		%	100	100	100
Specific amount involved in the data security event		RMB 0,000	--	--	0
Total number of violations occurred in respect of customer privacy		Violation	0	0	0
Specific amount involved in customer privacy leakage incidents		RMB 0,000	0	0	0
R&D investment amount		RMB 0,000	52,323	59,675	60,479
Proportion of R&D investment in revenue		%	3.38	2.77	3.24
Number of R&D personnel		Person	794	1,127	710
Proportion of R&D personnel		%	10.22	13.32	8.99
Number of invention patents that can be applied into principal businesses		Patent	--	--	29
Cumulative number of patents obtained		Patent	191	213	241
Number of valid patents during the reporting period		Patent	191	213	241
Number of patent applications during the reporting period		Patent	20	25	51
Including: Number of invention patent applications		Patent	--	--	24
Number of patents obtained during the reporting period		Patent	12	22	28
Including: Number of invention patents granted		Patent	--	--	13

Note 1: The complaint handling rate in this report is calculated using the following formula: Complaint handling rate = Number of complaints handled / Total number of complaints received × 100%.

### Community Investment Performance

Indicator	Unit	2022	2023	2024
Number of employees participated in public welfare/volunteer activities	Person-time	670	130	180
Total hours of volunteers	Hour	2,920	390	640
Total public welfare investments	RMB 0,000	360.28	230.61	166.14
Focus areas:				
Culture and sport	RMB 0,000	5	0	0.00
Environmental protection	RMB 0,000	0	0	1.50
Education	RMB 0,000	45.3	90	20.00
Other <sup>1</sup>	RMB 0,000	309.98	140.61	144.64

Note 1: "Others" includes donation to rescue team, charitable foundation and etc..

### Sustainability-Related Governance Performance

#### Business Ethics and Anti-corruption Performance

Indicator	Unit	2022	2023	2024
Number of training sessions related to anti-commercial bribery and anti-corruption	Time	2	2	2
Number of anti-corruption training hours received by all Directors	Hour	4	4	4
Percentage of the members of the Board of Directors who have received anti-corruption training	%	100	100	100
Total number of management personnel covered by the anti-commercial bribery and anti-corruption training	Person	--	--	684
Percentage of management personnel who have received anti-commercial bribery and anti-corruption training	%	--	--	100
Hours of anti-corruption training per employee	Hour	0.48	0.23	0.32
Total number of employees covered by the anti-commercial bribery and anti-corruption training	Person	--	--	1,300
Percentage of employees who have received anti-corruption training	%	16.18	13.71	16.46
The number of corruption litigation cases filed and concluded by the issuer or its employees during the reporting period	Incident	0	0	0

#### Anti-unfair Competition Performance

Indicator	Unit	2024
The amount involved in litigation or major administrative punishment due to the unfair competition actions of the Company during the reporting period	RMB 0,000	0

## Index of Reporting Standards

### Index of the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)

Disclosure requirements	Chapters in this Report	Disclosure requirements	Chapters in this Report
Topics required to be disclosed by these Guidelines		Supply chain security	Supply Chain Management
Climate change tackling	Topic: Implement the Dual Carbon Action and Accelerate the Low-Carbon Transition ESG Data Tables and Notes	Equal treatment to small and medium-sized enterprises	At the end of the reporting period, the balance of accounts payable (including bills payable) of the Company did not exceed RMB 30 billion, accounting for less than 50% of the total assets, and the enterprises within the scope of the consolidated statement were not required to disclose the information of overdue payments of small and medium-sized enterprises in the National Enterprise Credit Information Publicity System.
Pollutant discharge	Discharge And Waste Management ESG Data Tables and Notes	Safety and quality of products and services	Product Quality and Customer Management ESG Data Tables and Notes
Waste disposal	Discharge And Waste Management ESG Data Tables and Notes	Data security and customer privacy protection	Information Security and Privacy Protection ESG Data Tables and Notes
Ecosystem and biodiversity protection	Ecosystem and Biodiversity Protection	Employees	Safeguarding Employee Safety Human Capital Management ESG Data Tables and Notes
Environmental compliance management	Environmental Management System	Due diligence	Procedures of the Materiality Analysis of Issues
Energy usage	Topic: Implement the Dual Carbon Action and Accelerate the Low-Carbon Transition ESG Data Tables and Notes	Communications with stakeholders	Stakeholder Communication
Usage of water resources	Water Resource Management ESG Data Tables and Notes	Anti-commercial bribery and anti-corruption	Adherence to Business Ethics ESG Data Tables and Notes
Circular economy	Topic: Implement the Dual Carbon Action and Accelerate the Low-Carbon Transition Discharge And Waste Management ESG Data Tables and Notes	Anti-unfair competition	Adherence to Business Ethics
Rural revitalization	Jointly Building a Beautiful Community	Topics self-identified and disclosed in accordance with Article 5 of these Guidelines	
Contributions to the society	Jointly Building a Beautiful Community	Corporate governance	Enhancing Corporate Governance
Innovation-driven	Topic: Implement the Dual Carbon Action and Accelerate the Low-Carbon Transition ESG Data Tables and Notes	Compliance and risk management	Deepening Risk Management
Ethics of science and technology	This topic is irrelevant to the Company, which does not involve scientific research and technology development in the sensitive fields of science and technology ethics, such as life science, artificial intelligence, etc.		

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A3.1	Environmental Management System	B6.1	ESG Data Tables and Notes
<b>A4.Climate Change (repealed 1 January 2025)</b>	Topic: Implement the Dual Carbon Action and Accelerate the Low-Carbon Transition	B6.2	Product Quality and Customer Management ESG Data Tables and Notes
A4.1 (repealed 1 January 2025)	Topic: Implement the Dual Carbon Action and Accelerate the Low-Carbon Transition	B6.3	Adherence to Business Ethics
<b>B.Social</b>		B6.4	Product Quality and Customer Management
<b>Employment and Labour Practices</b>		B6.5	Information Security and Privacy Protection ESG Data Tables and Notes
B1.Employment	Human Capital Management	<b>B7.Anti-corruption</b>	Adherence to Business Ethics
B1.1	ESG Data Tables and Notes	B7.1	ESG Data Tables and Notes
B1.2	ESG Data Tables and Notes	B7.2	Adherence to Business Ethics
B2.Health and Safety	Safeguarding Employee Safety	B7.3	Adherence to Business Ethics ESG Data Tables and Notes
B2.1	ESG Data Tables and Notes	<b>Community</b>	
B2.2	ESG Data Tables and Notes	<b>B8.Community Investment</b>	Jointly Building a Beautiful Community
		B8.1	Jointly Building a Beautiful Community
		B8.2	Jointly Building a Beautiful Community ESG Data Tables and Notes
Part D: Climate-related Disclosures			

This part of the disclosure requirements has not yet entered the mandatory disclosure reporting period, and the Company has disclosed its climate management practices in the "Topic: Implement the Dual Carbon Action and Accelerate the Low-Carbon Transition" section and greenhouse gas emission Data in the "ESG Data Tables and Notes" section.



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