



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.

The data and information mentioned in the report are derived from formsm f8681694 70.866ai13.1.4 (m)-1i211o s

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 m³/RMB'0,000

Greenhouse gas (GHG) emissions per unit of revenue Scope 1 and Scope 2

3.12 tCO_2e/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

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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
Shareholders and investors	• Compliance and risk management • Corporate governance • Business ethics and anti-corruption • Innovation-driven • Supply chain security	• Shareholders' General Meeting • Information disclosure • http://sns.sseinfo.com/ • Receive investors for survey • Attend strategy meetings/ investor presentations
Governments and regulators	• Compliance and risk management • Business ethics and anti-corruption • Climate change tackling • Discharge and waste management • Environmental management system • Ecosystem and biodiversity protection	• Compliance complaint platform of Flat Group • Project cooperation • Communication through meeting • Supervision and inspection
Customers (B2B)	• Product quality management • Innovation-driven • Information security and privacy protection • Supply chain security	• Customer satisfaction survey • Customer visit • Attending industry communication activities • Technical supervision • Safety inspection • Industry-academia-research institutes collaboration • Confidentiality mechanism
Suppliers	• Supply chain environmental and social risk management • Business ethics and anti-corruption	• Supplier evaluation and survey • Supplier training • Compliance complaint platform of Flat Group
Employees	• Employees' interests and benefits • Employee training and development • Production safety	• Regular meeting • Employee activity • Complaints and feedback • Occupational disease protection Safety production management
Industry associations	• Innovation-driven • Anti-unfair competition	• Industry associations • Industry-academia-research institutes collaboration • Intellectual property management system • Attending industry communication activities
Community and environment	• Rural revitalization and public welfare activities • Climate change tackling • Discharge and waste management • Environmental management system • Energy management • Water resources management	• Rural revitalization and public welfare activities • Volunteer service • Identification of and responding to climate-related risks and opportunities • Establish environmental management system • Measures to conserve and utilize resources • Measures to reduce the emissions of "three wastes"

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

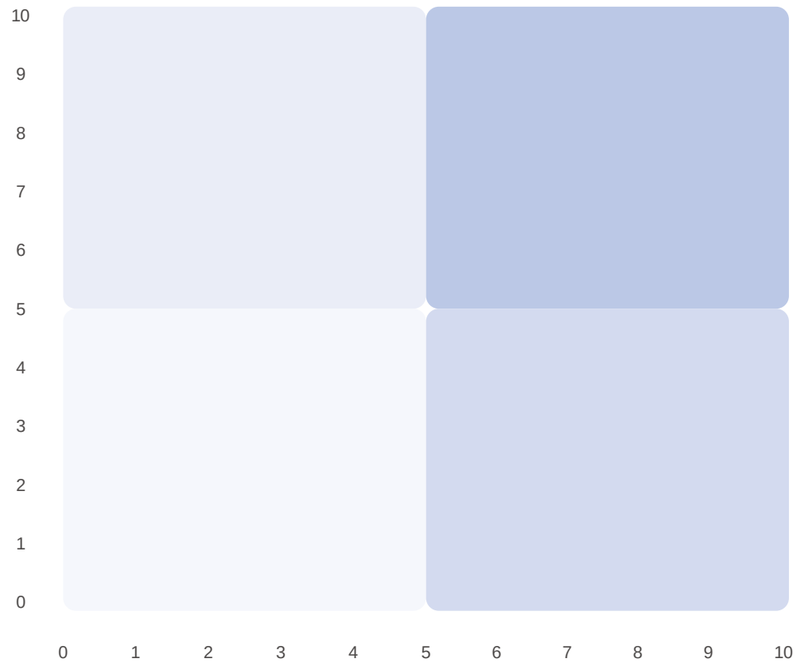
- Corporate governance
- Business ethics and anti-corruption
- Compliance and risk management
- Anti-unfair competition

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	Combined	
	Customer service		
Innovation-driven	R&D innovation	Combined	
	Clean technology opportunities		
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

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

Board of Directors

Supervision level

- Supervise and be ultimately responsible for ESG matters in all respects

ESG Committee

Managerial level

- Identify ESG r

ESG Working Group

In addition, the Company has adopted the core method of 6S management assessment[2], 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.

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

Water use goal

By 2025, the Company will reduce water consumption per unit revenue by 3% compared to 2021.

GHG emissions goal

By 2025, the Company will reduce greenhouse gas (GHG) emissions intensity per unit revenue by 10% compared to 2021.

Waste reduction goal

The Company will continue to take reduction measures, and control the production of hazardous waste and non-hazardous waste at a lower level.

Energy use goal

By 2025, the Company will reduce total energy consumption per unit revenue by 10% compared to 2021.

Achievement of four goals of Flat Glass in 2024

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".



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".

Manage risks and opportunities from climate change

Manage carbon emissions

Improve energy use efficiency

Gather forces to promote innovation and R&D of clean technology

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 Fla

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.

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 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

Path I	Energy use efficiency improvement	• 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. • [illegible]

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 [illegible] 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

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: translight 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

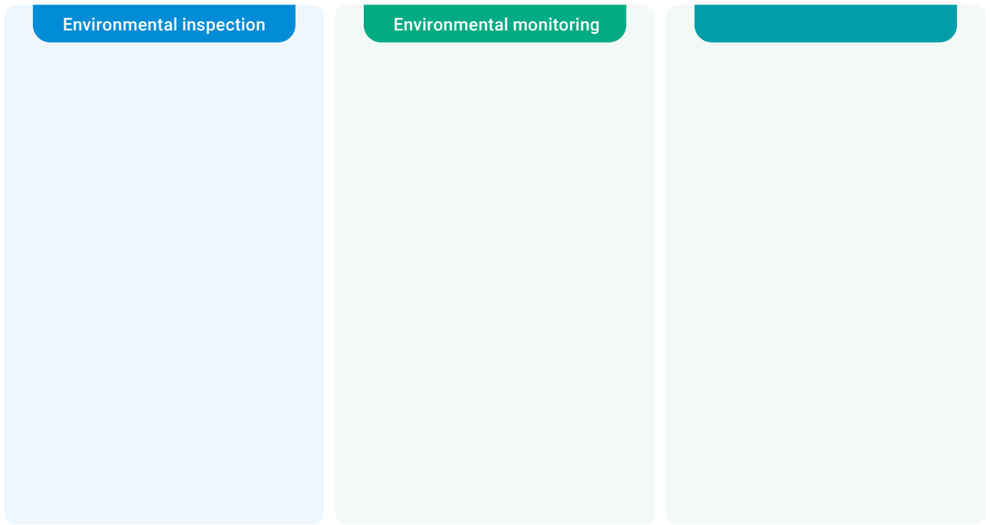
In strict compliance with laws and regulations including the Environmental Protection Law of the People's Republic of China and the Law of the People's Republic of China on Environmental Impact Assessment, the Company has set up environmental management policies. On basis of the core Environmental Protection 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.

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

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



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.

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.

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.

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.

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_{cr}) and ammonia nitrogen.

In strict compliance with the national and local waste water discharge standards, The Company formulates the Waste water

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

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

Waste water management measures of Flat Glass in 2024

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

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

Metrics and Targets

The Company has set clear targets for "three-waste" management, and monitors the real-time emissions relying on the

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

Ecosystem and Biodiversity Protection

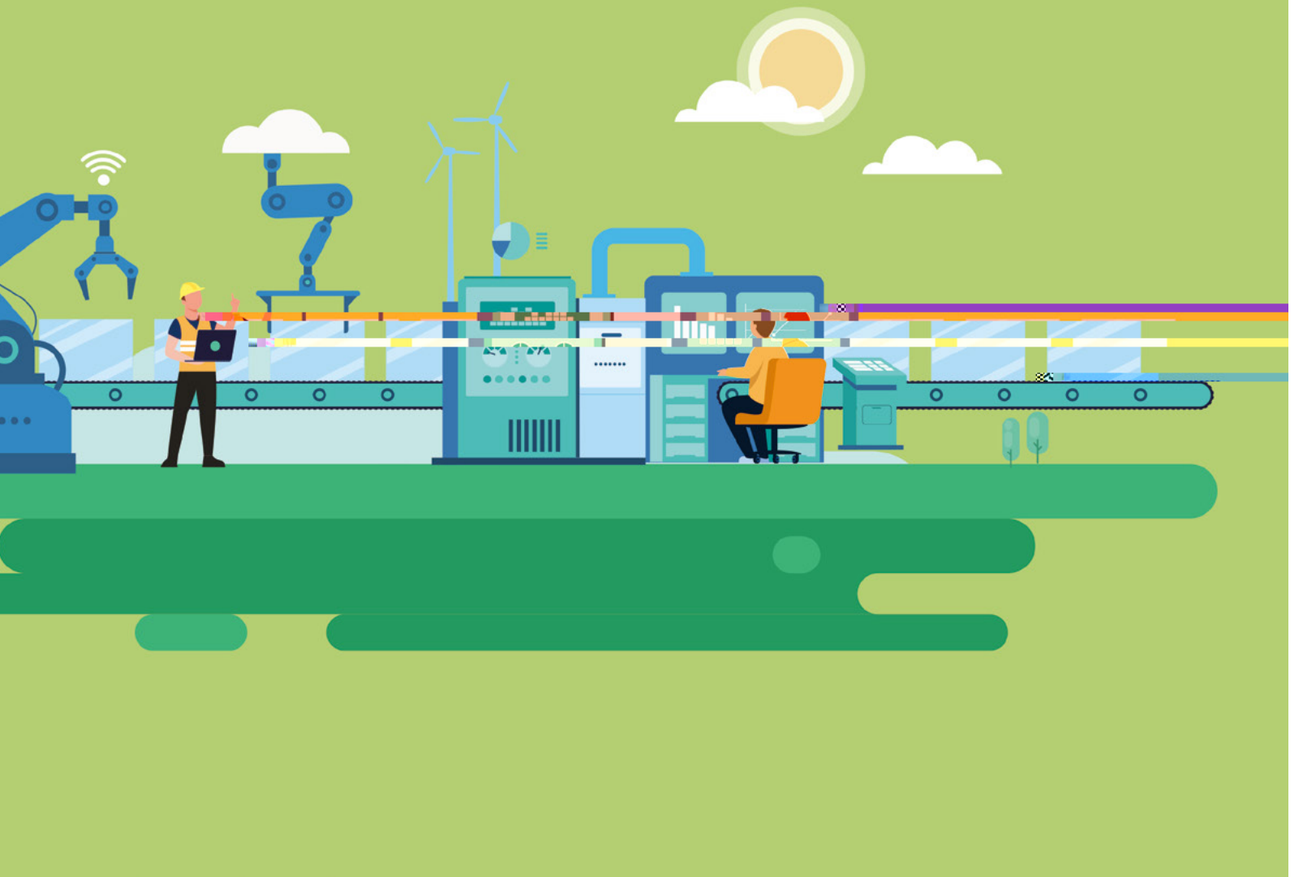
The Company's production bases are located in the industrial parks without involving ecologically sensitive areas. Therefore, the impact of the production and operating activities on the ecosystem and biodiversity is insignificant.

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





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, 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

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	• Improve internal control standards. • Strengthen the control of

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

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,

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 Customer Service Office receives customer complaints, replies at first time, notify each other within 3 hours.

→ The Customer Service Office sends information of customer complaints to the Quality Control Department, to perform quality traceability work and reply within 24 hours.

→ The Customer Service Office summarizes customer complaints, real-time tracks the handling and completion of customer complaints.

→ Confirm the internal improvement progress and measures, and for m a closed loop of supervision.

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.

Supply Chain Management

The Company divides suppliers into three categories, namely important suppliers, general suppliers and bulk equipment

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	• Purchase mine to ensure the supply of raw materials, and obtain approximately 165 million tons of reserves of quartz mine resources. • Strengthen the study of price trend of raw materials, reasonable choice the procurement time. • Conduct raw material futures trading in due time while ensuring safety.
	Price rise of key raw materials	Short, medium and long term	Increased operating costs	
	Suppliers sell shoddy goods for quality goods	Medium and long term	Increased operating costs	• Improve the supplier review mechanism and strengthen the raw material control.
Supplier environmental and social risks	Suppliers occur environmental negative events	Medium and long term	Increased operating costs	• Formulate the Supplier Code of Conduct to require suppliers to comply with their social responsibility commitments. • Establish a sustainable supplier review mechanism, and eliminate the unqualified suppliers regularly.
	Suppliers occur labor incidents	Medium and long term	Increased operating costs	
	Suppliers occur corruption incidents	Medium and long term	Increased operating costs	• Formulate the Supplier Code of Conduct to require suppliers to comply with the Honesty and Integrity Agreement and regulate the business behavior of suppliers.

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.

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.

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%



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 systemahst.6 (t)-3.4 (u)-14.46Css J0 Tw -8.3 (n (s2-12.9 (e).4 (s)-11.5 (J(n)1.2 (y i)-8w -8.3 (n (s2)-1.6 (t5-1.6)1.4 (e)0.6 7)-2.8 (s)Tw -8.3 (n (s2e)-4 (x)-8.5 (i)f)-22.3 (-14.4 514.5 (n)-0.8 5(t)11.6 (e)-15.74-14.4 (n)-11.6 (d)-99.3 (a)4.3 (y c (o)-1576 (d)-9.4 (u)Tw 0 -93 (a

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	• Engineering control: regular maintenance to ensure the safety of equipment and facilities. • Safety management: make the safety production management in a institutional and normalized manner, and conduct regular on-site inspections. • Training and education: conduct regular training on equipment safety use for employees, and carry out safety production month activities to improve their safety awareness. • Individual protection: equip and use personal protective equipment according to the requirements of the work type. • Emergency response: make emergency plan and make emergency preparations in advance.
Occupational disease risk	• Facility renovation. • Provide employees with protective equipment. • Conduct regular occupational health examinations.

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[3] 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.

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.

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[4].

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

- 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.

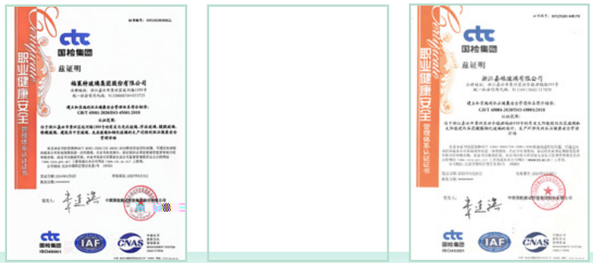
- Technical improvement for noise positions in the workshop to reduce the adverse effects of noise on employees.

- 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.

[4] 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%
	Perfectness ratio of safety facilities and equipment	100%	100%
Rectification of hidden hazards	Rectification rate of serious safety hidden hazards	100%	100%
	Rectification rate of general safety hidden hazards	≥98%	99%
Accidents	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	• Establish an appointment checking mechanism to ensure recruitment compliance, and strictly prohibit compulsory labor and the use of child labor. • Improve employees'interests. • Improve the remuneration and benefit system. • Establish employee communication channels and caring mechanism.
Corporate reputation risk	Medium and long term	Decreased revenue	
Human capital opportunity	Medium and long term	Increased revenue	• Implement the strategy of introducing all-round and top-notch talents. • Establish a sound incentive and restraint mechanism. • Strengthen the cooperation with well-known universities, research units and enterprises of relevant specialities at domestic and abroad.

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%.

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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.

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.

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 tal9 (o)-14.8(u)-1(p)-15 (g a)-703.(i)-194T

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 unswervingly 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.

Carrying out a series of charitable activities

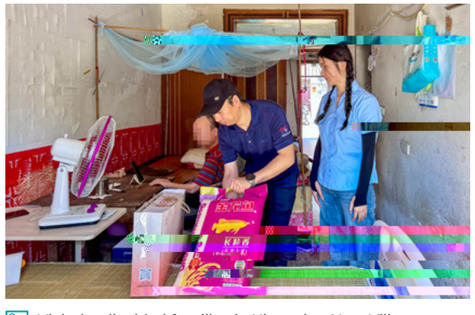
On 31 July 2024 the Company assembled a team of volunteers full of enthusiasm and dedication to carry out charitable activities for one month.



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

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

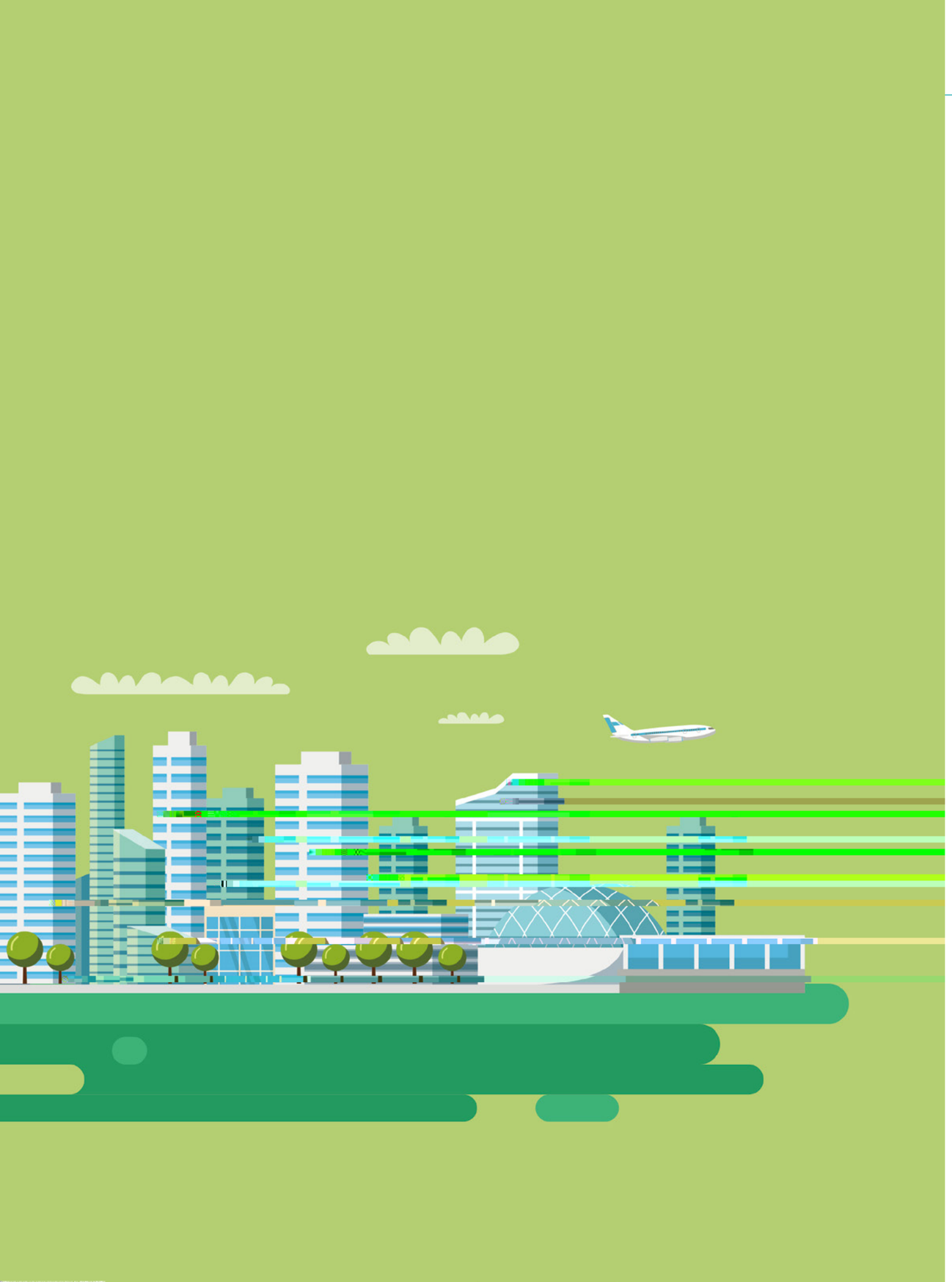
On 5 March 2024, Flat Group organized the "Love Blood Donation" activities in the morning of the "Learn from Lei Feng Day", for the purpose of inheriting the spirit of Lei Feng, actively fulfilling social responsibilities, and carrying forward the positive energy in the new era. Flat people has practiced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





Onsite blood donation activities





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

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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.

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.

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

Deepening Risk Management

Governance

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

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

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.

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.

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.

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

Metrics	Unit	2022	2023	2024
Energy utilization				
Total direct energy consumption[6]	MWh	10,496,194	16,243,656	15,750,689
	ton of standard coal			

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_2/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_2/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 number of employees		Person	7,766	8,337	7,898
By gender	Male	Person	5,506	5,957	5,777
	Female	Person	2,260	2,380	2,121
By employment type	Labor contract	Person	7,693	8,240	7,759
	Other types of employment[1]	Person	73	97	139
By age group[2]	>50 years old	Person	514	585	667
	30 to 50 years old	Person	4,689	5,093	4,915
	<30 years old	Person	2,490	2,562	2,177
By geographical region[3]	Employees in mainland China	Person	6,841	7,402	7,013
	Employees in Hong Kong, Macau, and Taiwan as well as overseas	Person	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	Person	659	990	1,166
	Female	Person	392	542	616
By employment type	Labor contract	Person	954	1,487	1,701
	Other types of employment	Person	97	45	81
By age group	>50 years old	Person	78	93	156
	30 to 50 years old	Person	494	907	1,038
	<30 years old	Person	479	532	588
By geographical region	Employees in Mainland China	Person	746	1,325	1,601
	Employees in Hong Kong, Macau, and Taiwan as well as overseas	Person	305	207	181

Indicator		Unit	2022	2023	2024
Employee turnover rate[1]		%	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
By age group	>50 years old	%	15.18	15.90	23.39
	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[2]		%	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[1]	%	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

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Part B: Mandatory Disclosure Requirements	
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Reporting Boundary	About This Report

Aspects, General Disclosures and KPIs	Reporting Chapters
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A1.Emissions	Discharge and Waste Management
A1.1	ESG Data Tables and Notes
A1.2 (repealed 1 January 2025)	ESG Data Tables and Notes
A1.3	ESG Data Tables and Notes
A1.4	ESG Data Tables and Notes
A1.5	Discharge and Waste Management
A1.6	Discharge and Waste Management
A2.Use of Resources	Topic: Implement the Dual Carbon Action and Accelerate the Low-Carbon Transition Water Resource Management
A2.1	ESG Data Tables and Notes
A2.2	ESG Data Tables and Notes
A2.3	Topic: Implement the Dual Carbon Action and Accelerate the Low-Carbon Transition
A2.4	Water Resource Management
A2.5	ESG Data Tables and Notes
A3.The Environment and Natural Resources	Environmental Management System
A3.1	Environmental Management System
A4.Climate Change (repealed 1 January 2025)	Topic: Implement the Dual Carbon Action and Accelerate the Low-Carbon Transition
A4.1 repealed 1 January 2025	Topic: Implement the Dual Carbon Action and Accelerate the Low-Carbon Transition
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B1.Employment	Human Capital Management
B1.1	ESG Data Tables and Notes
B1.2	ESG Data Tables and Notes
B2.Health and Safety	Safeguarding Employee Safety
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B2.2	ESG Data Tables and Notes
B2.3	Safeguarding Employee Safety
B3.Development and Training	Human Capital Management
B3.1	ESG Data Tables and Notes
B3.2	ESG Data Tables and Notes
B4.Labour Standards	Human Capital Management
B4.1	Human Capital Management
B4.2	No violations
Operating Practices	
B5.Supply Chain Management	Supply Chain Management
B5.1	ESG Data Tables and Notes
B5.2	Supply Chain Management Adherence to Business Ethics
B5.3	Supply Chain Management
B5.4	Supply Chain Management
B6.Product Responsibility	Product Quality and Customer Management
B6.1	ESG Data Tables and Notes
B6.2	Product Quality and Customer Management ESG Data Tables and Notes
B6.3	Adherence to Business Ethics
B6.4	Product Quality and Customer Management
B6.5	Information Security and Privacy Protection ESG Data Tables and Notes
B7.Anti-corruption	Adherence to Business Ethics
B7.1	ESG Data Tables and Notes
B7.2	Adherence to Business Ethics
B7.3	Adherence to Business Ethics ESG Data Tables and Notes
Community	
B8.Community Investment	Jointly Building a Beautiful Community
B8.1	Jointly Building a Beautiful Community
B8.2	Jointly Building a Beautiful Community ESG Data Tables and Notes

