

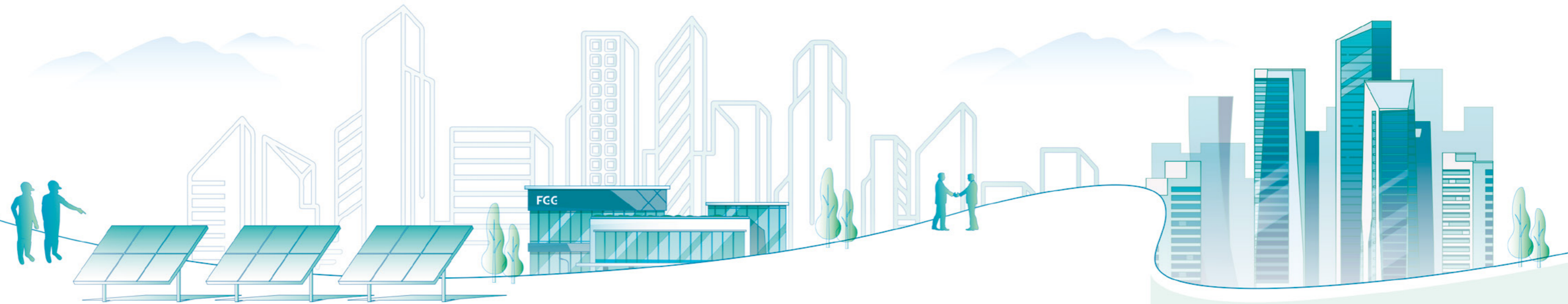
Flat Glass Group Co., Ltd.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2021



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About This Report

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 Environmental, Social and Governance Reporting Guide (effective from 1 January 2022) (“ESG Guide”) issued by the Stock Exchange of Hong Kong Limited (the“ Hong Kong Stock Exchange”) and the Guidelines No. 1 for the Application of Self-regulatory Rules of Companies Listed on the Shanghai Stock Exchange — Standard Operation (2021) issued by the Shanghai Stock Exchange (the “SSE”).

Reporting scope

Organization scope: This report covers the scope of Flat Glass Group Co., Ltd. (the “Company” or “Flat Glass” or “Flat”) and its subsidiaries (collectively the “Group”), which is consistent with scope of the consolidated financial statements in the annual report .

Time scope: The information published in this Report is for the period from 1 January 2021 to 31 December 2021. Certain statements and data may be traced back to previous years as appropriate.

Source of data

Unless otherwise stated, the data and cases mentioned in the Report are derived from Flat Glass Group Co., Ltd. and its subsidiaries during actual operations.

Financial data in the Report are denominated RMB, unless otherwise stated. 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

This Report is in compliance with the reporting principles determined by the ESG Guide of the HKEX. The reporting principles are detailed as follows:

Materiality

Based on the principle of materiality, this Report offered an analysis of substantive issues , which were submitted to the Board of Directors for consideration, and ensured the full disclosure of information that has a material impact on investors and other stakeholders.

Quantitative

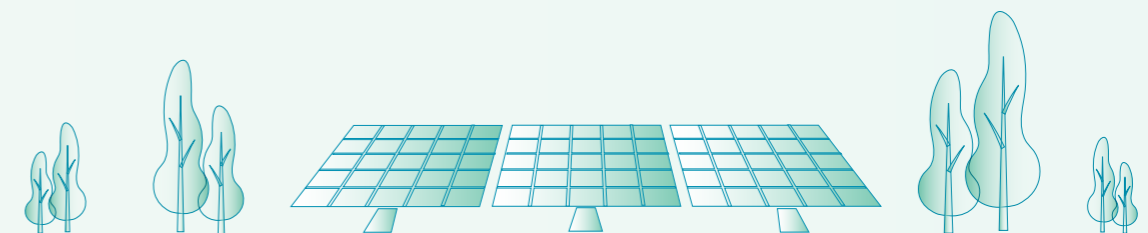
Based on the quantitative principle, this Report presented statistics on ESG quantitative performance and disclosed 2-year historical data.

Balance

Based on the principle of balance, this Report provided complete and clear disclosure of the Company's ESG practices, thereby avoiding potential improper impacts of choices, omissions or presentation formats on the decisions or judgments of the reader to this Report.

Consistency

Based on the principle of consistency, this Report employed a consistent and uniform approach for disclosing contents, and provided clear explanations on the calculation formula and statistical caliber of ESG quantitative performance, so that meaningful ESG data comparison can be achieved in the future.



About Flat Glass

Year of establishment <h1>1998</h1>	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)
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Principal businesses

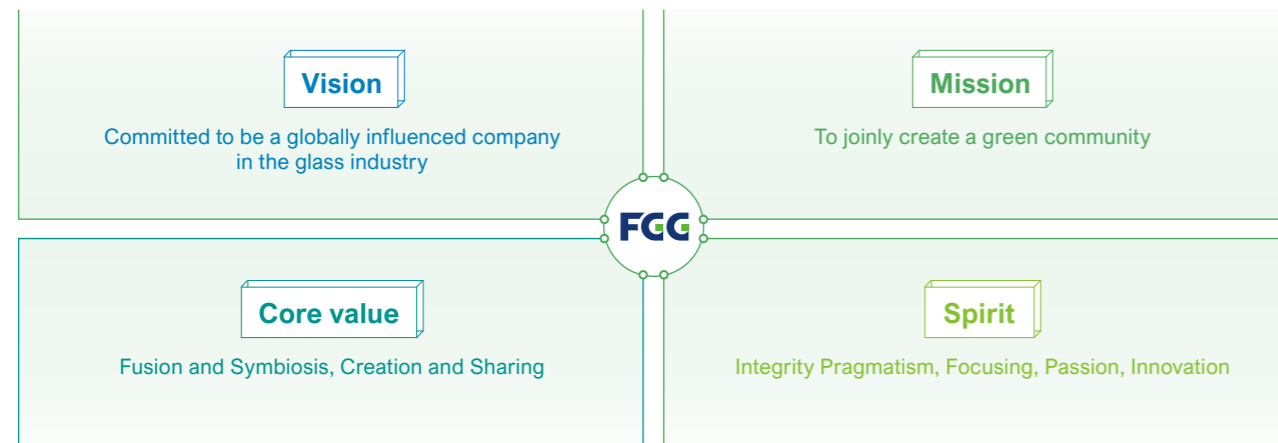
Flat Glass is a comprehensive enterprise with an integration of research and development, manufacturing, processing, and sales of glass. Its main products cover photovoltaic (PV) glass, float glass, energy-saving architectural glass, and household glass.

Locations Main locations of Flat Glass and its subordinates include Jiaxing of Zhejiang province and Chuzhou of Anhui province in China, and Haiphong in Vietnam.	Headquarters <h2>Jiaxing, Zhejiang, China</h2>
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Economic performance

<p>Revenue</p> <p>RMB 8,713.23 million</p>	<p>Net asset per share</p> <p>RMB 5.50</p>	<p>Total profit</p> <p>RMB 2,380.22 million</p>	<p>Social contribution value per share</p> <p>RMB 1.46</p>
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Note: Social contribution value per share = (net profit attributable to ordinary shareholders of the Company excluding non-recurring items + payments to the government + employee compensation and benefits + interests paid on loans to creditors such as banks + 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.

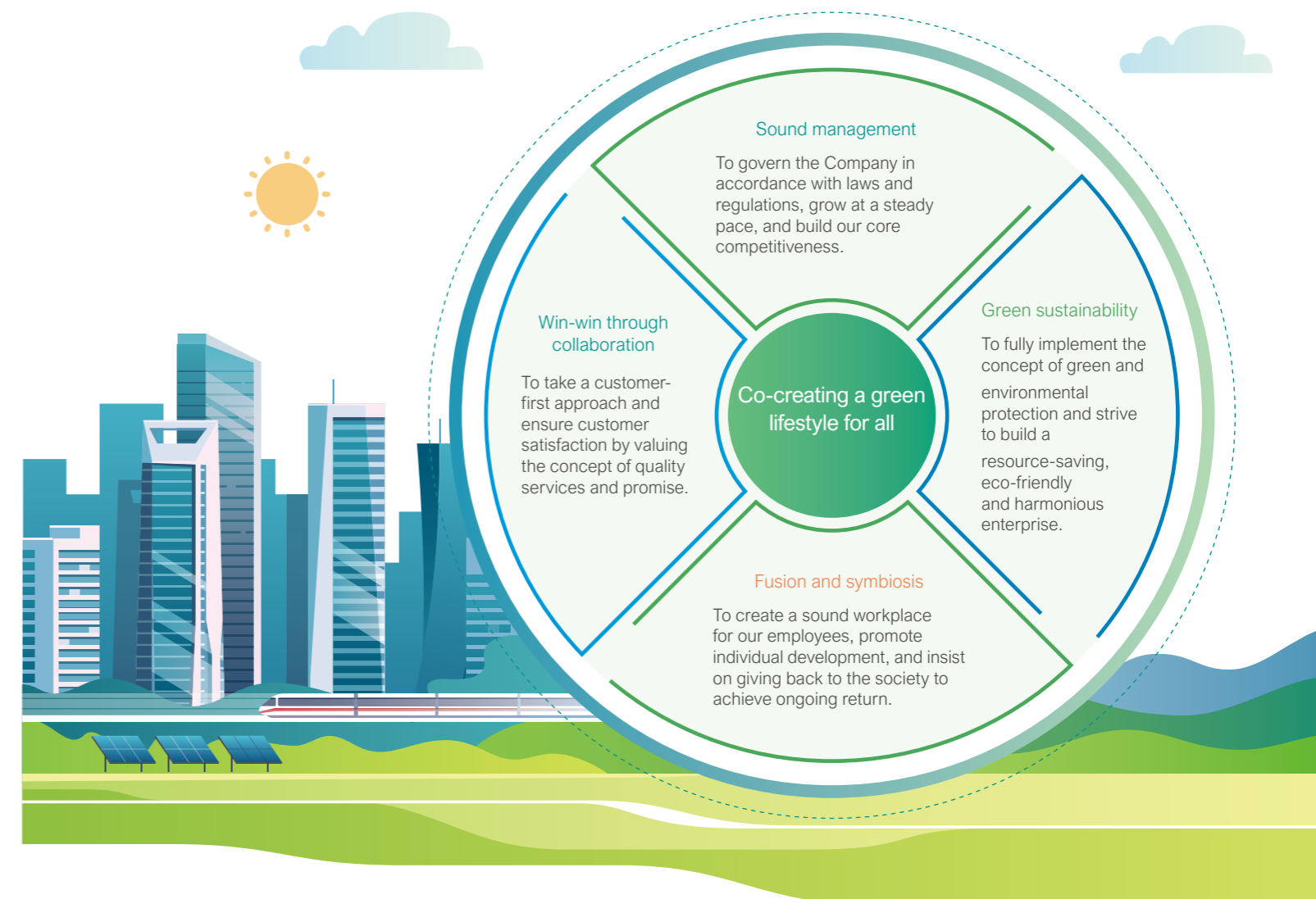


Social Responsibility Management

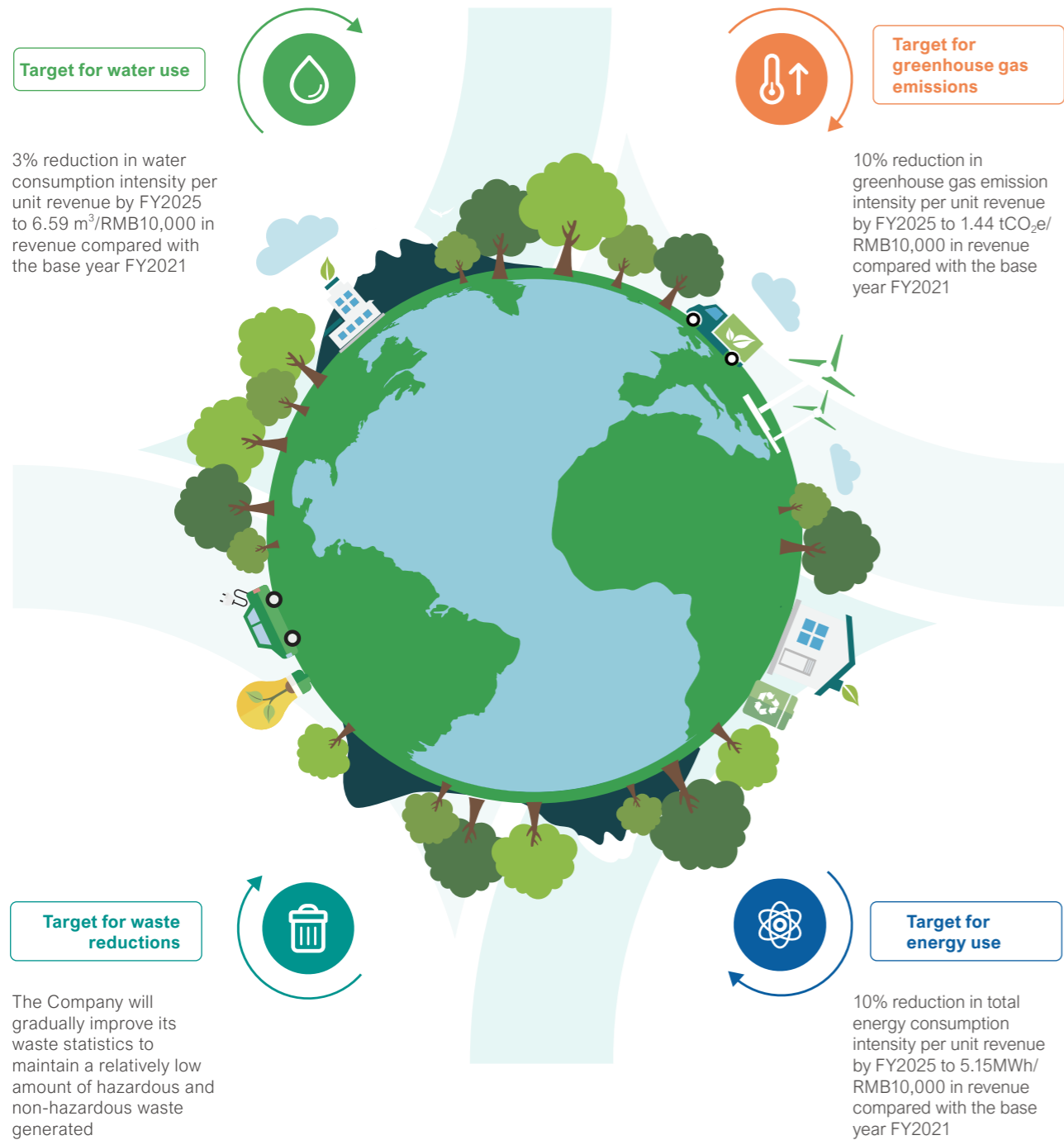
As a global leading PV glass manufacturer, Flat Glass takes "To jointly create a green community" as its mission and integrates the teamwork philosophy of "thinking and acting as one, and collaborating modestly" into the Company's corporate culture and strategic planning.

Social Responsibility Philosophy

While pursuing rapid growth, the Company is always mindful of its social responsibility; ESG management is not only the Company's due obligation to investors, but also the standard for continuous sound management and the core of the Company's social responsibility. To this end, in addition to operating in compliance with all national laws, regulations and rules, the Company also integrates environmental and social responsibility into its strategic business activities, and has proposed ESG management strategies of "sound management", "win-win through collaboration", "green sustainability" and "Fusion and symbiosis", in a bid to prudently manage environmental and social risks, improve management system, reduce impact of operations on environment, and at the same time, promote social harmony through innovation-driven development and training of professionals.



The Company has set targets for water efficiency, energy use efficiency, greenhouse gas emission reduction and waste reduction based on the main environmental impact elements in its own operations, details of which is listed in the Group's environmental impact analysis table on page 42 of this Report. The Board of Directors will review the Company's ESG performance and achievement of ESG performance targets for the previous year on an annual basis to ensure that the Company's ESG performance is disclosed in the ESG Report, thereby promoting the achievement of ESG performance targets.

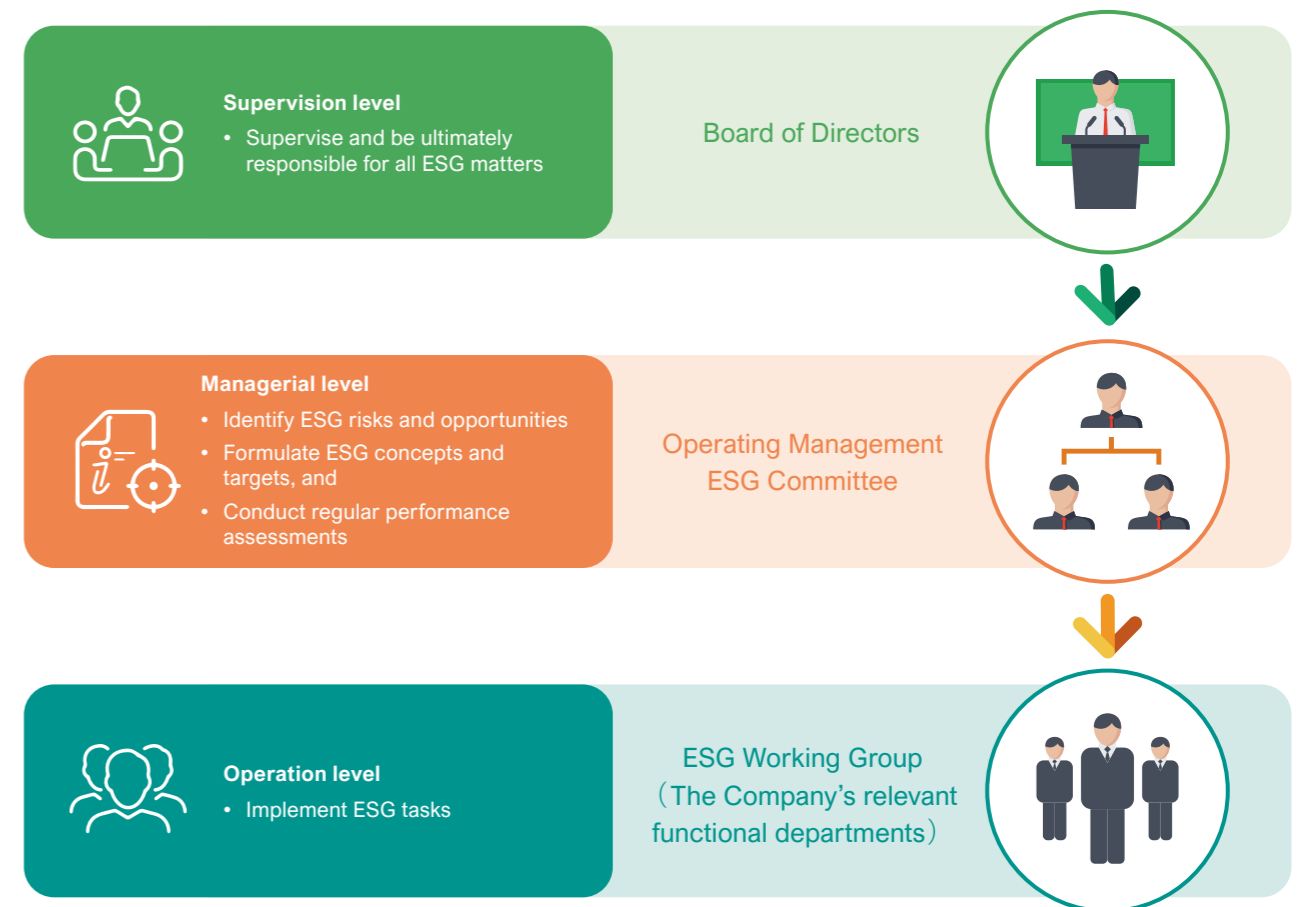


ESG Management Structure

Effective ESG management cannot be achieved without the attention of the top management and the participation of all employees. The Company has integrated ESG concepts into its corporate culture and daily operations and formed a top-down ESG management structure, with the Board of Directors overseeing and ultimately responsible for ESG matters.

After the formal operation of the ESG working group internally in 2020, an ESG committee has been established under the operating management in 2022, in a bid to improve the Company's ESG management structure and enhance comprehensive coordination of ESG work to assure effective ESG management. The ESG committee is responsible for identifying ESG risks and opportunities, formulating concepts and targets, and reporting to the business management and the Board of Directors on a regular basis. The Company's ESG working group, which is led by the head of the Board Secretary Office, is responsible for implementing ESG work, coordinating issues relating to ESG management as well as communication and policy implementation.

ESG management structure of Flat Glass



In 2021, the Company's Board of Directors and its committees considered and approved ESG issues concerning corporate governance, information disclosure, employees' rights and interests, protection of shareholders' rights and interests, and risk management, with a view to continuously improving the Company's ESG management.

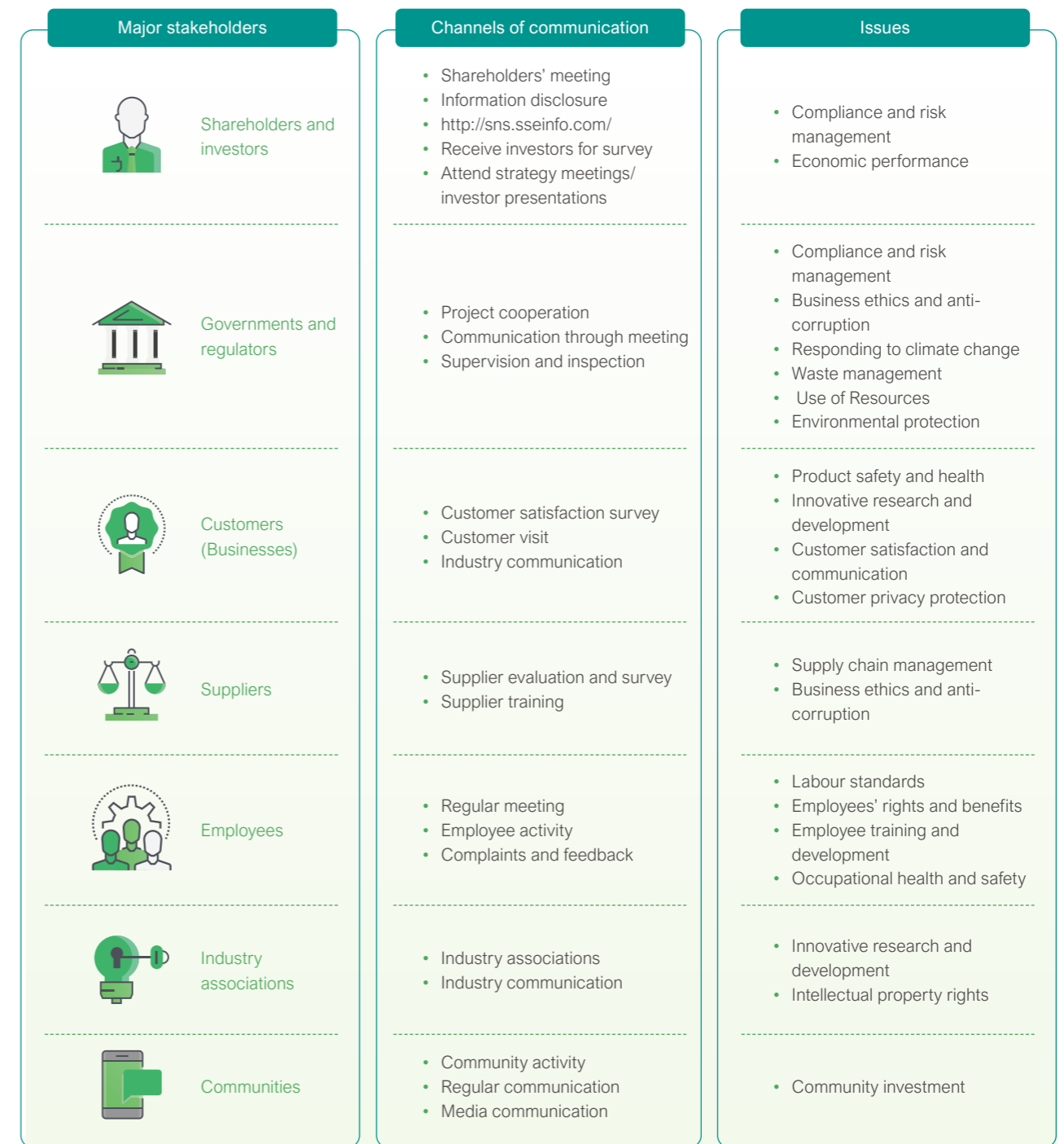
Major ESG-related issues considered by the Board of Directors and its committees in 2021

Considered by	ESG issues	Contents
Board of Directors	Corporate governance	<ul style="list-style-type: none"> Various corporate governance-related systems, including the Articles of Association Proposals related to the election of the Board of Directors and its committees Proposals related to the evaluation report on the Company's internal control
	Information disclosure	<ul style="list-style-type: none"> The Company's ESG Report in 2020, covering environmental management, employee development and training, customer service and communications
	Employees' rights and benefits	<ul style="list-style-type: none"> 2021 A-share Stock Option Incentive Plan, Proposal on the Granting of Reserved Portion of A-share Restricted Shares to Incentive Participants, etc.
	Protection of shareholders' rights and interests	<ul style="list-style-type: none"> The Plan for Dividend Returns to Shareholders for the Next Three Years (2021-2023), the Proposal on Profit Distribution for the Year 2020, etc.
Risk Management Committee	Compliance and risk management	<ul style="list-style-type: none"> The Report on OFAC's Risk Control Work in 2020 and Future Work Plan and other related proposals to oversee the development and operation of risk management mechanisms
Remuneration Committee	Employees' rights and benefits	<ul style="list-style-type: none"> The Proposal on the Achievement of the First Unlocking Conditions in the First Grant Part of the Restricted A Share Incentive Scheme for 2020
Strategic Development Committee	Corporate governance	<ul style="list-style-type: none"> The Company's Development Plan in 2021.



Communication with Stakeholders

The Company values the opinions of various stakeholders, including shareholders and investors, employees, customers, suppliers, communities, industries, governments and regulators. The Company has established a normalized communication mechanism with its stakeholders, incorporated their issues into the Company's operation and decision-making process, and actively responded to their demands and expectations while enhancing the Company's sustainable development.





Identification of Material Issues

In accordance with the procedures of identification, evaluation and screening, the Company has conducted an analysis of material issues and identified the Company's stakeholders' material ESG issues by taking into consideration of its own business and operational characteristics and drawing on the experience of peers at home and abroad. The materiality has been analyzed and ranked based on full consideration of stakeholders' requirements and issues.

To ensure the effectiveness of the Company's ESG strategy, the Board of Directors reviews the results of the identification of the Company's material ESG issues on an annual basis to ensure that the Company's ESG strategy covers material ESG issues. The process of determining materiality is guided by the following principles.

- Incorporating input from key stakeholders and identifying key stakeholders' ESG issues;
- Incorporating input from the operating management and identifying ESG issues that have a material impact on the Company's business;
- The Board of Directors reviews material ESG issues including those of high concern to stakeholders and have a material impact on the Company's business.

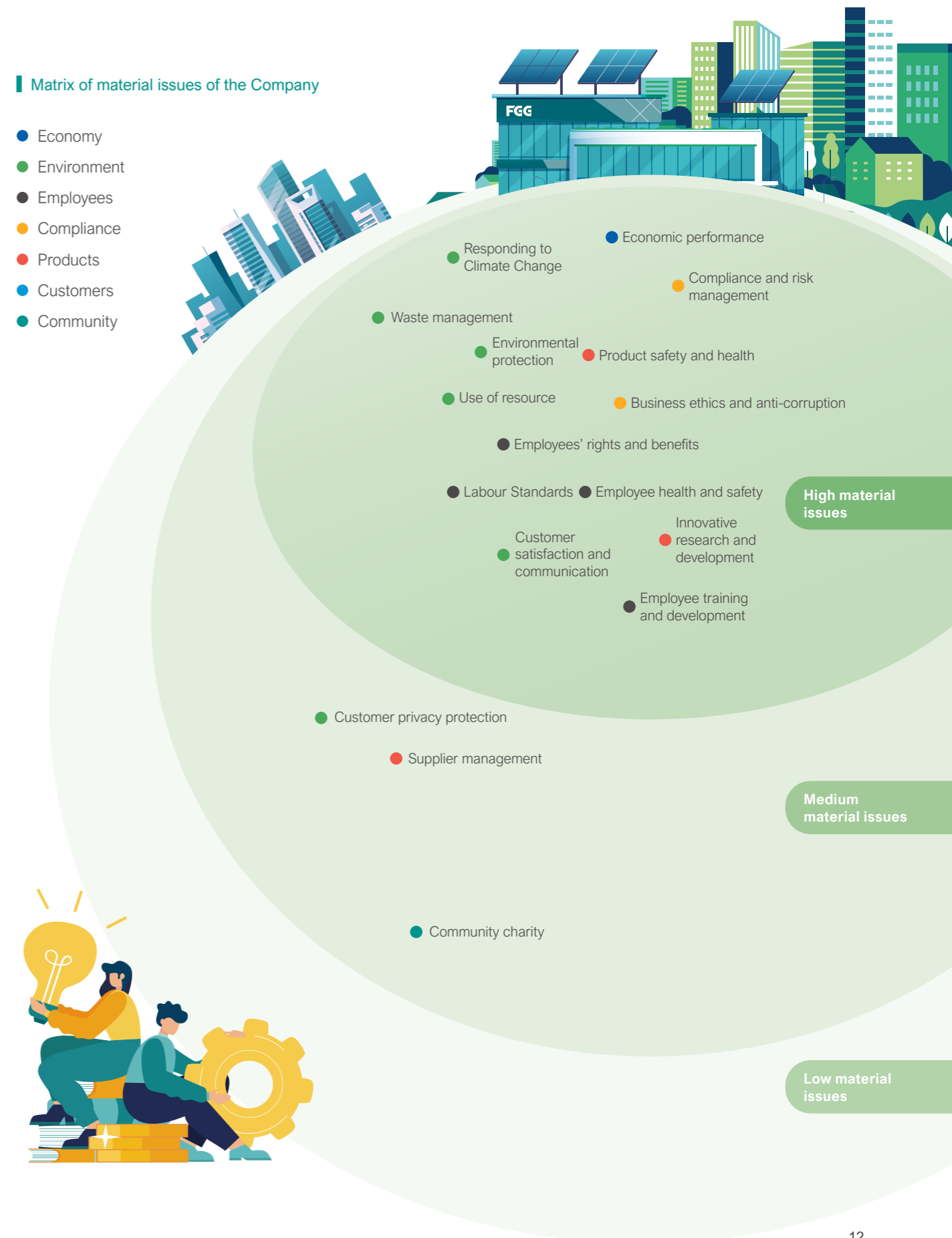
In 2021, the Company, after taking into consideration of various factors including the focus of internal and external stakeholders, policy survey and peer benchmarking analysis, identified 17 material issues and added the issue of responding to climate change.

Key changes to material issues of Flat Glass in 2021

Material issue in 2020	Material issue in 2021	Type of change	Cause of change
---	Responding to climate change	Added	Climate change, which is mainly characterized by warming, is occurring globally and has a profound impact on the sustainable development of human economy and society. In the context of China's aim to achieve carbon peak by 2030 and carbon neutrality by 2060 and the 14th Five-Year Plan, Responding to climate change has become an important issue of concern for the government, society and enterprises.

Matrix of material issues of the Company

- Economy
- Environment
- Employees
- Compliance
- Products
- Customers
- Community



High material issues

Medium material issues

Low material issues

Responding to Climate Change

Climate change has become one of the most pressing issues of the 21st century. According to the Global Risk Report 2021 published by the World Economic Forum (WEF), environmental risks remain a major concern in terms of the probability and impact of risks over the next decade: extreme weather, human environmental damage, and failure of climate actions all rank among the top 10 global risks. Global warming continues to exacerbate the frequency of extreme weather events and is forcing new policy changes, driving technological innovation and progress across industries, and influencing a shift in the green mindset of consumers and investors around the world.

Climate change risks and opportunities

In order to achieve effective management of and adapt to the risks and potential opportunities of climate change on business development and to ensure sustainable development of the Company, the Company identifies climate change-related risks and opportunities with reference to the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) of the Financial Stability Board of Directors (FSB), and constantly improves management according to the results to minimize the carbon footprint generated by operation activities.



Through policy research, peer benchmarking and expert opinions, the Company identifies climate change-related risks and opportunities related to its own operations, evaluates the impact of each risk and opportunity on its own finances and actively takes countermeasures to reduce the potential impact of physical risks and transformation risks on the Company while grasping opportunities to achieve long-term sustainable development of the Company's business.

Climate change management system

- Make climate change mitigation and adaptation one of the priorities of each business unit.




- With reference to TCFD's risk analysis framework for identifying potential risks and opportunities for operational activities, the Company is planned to incorporate climate change risks and opportunities as part of the overall operational risk management in the future.


- Evaluate the potential operational and financial impact on the Company with respect to the identified significant risks and opportunities.
- Conduct management actions in the areas of low carbon operations, Responding to climate change and natural disasters, and development of green products.
- Set greenhouse gas emission reduction targets.
- Disclose greenhouse gas emissions and emissions intensity annually in the Company's Environmental, Social and Corporate Governance (ESG) Report to assess the level of performance in Responding to climate change and to develop improvement schemes.

Results of identification of key climate change risks and opportunities

Results of identification of key climate change risks and opportunities		Potential financial impacts	Countermeasures
Risks	Physical risks		
	Acute physical risk	<ul style="list-style-type: none"> • Increase in operating costs • Decrease in value of fixed assets 	<ul style="list-style-type: none"> • Develop emergency plans for extreme weather response. • Conduct regular emergency drills for and provide training on emergency response to natural disaster incidents.
	Chronic physical risk	<ul style="list-style-type: none"> • Increase in operating costs • Decrease in value of fixed assets 	



Results of identification of key climate change risks and opportunities		Potential financial impacts	Countermeasures
Risks	Transformation risks	<p>Reputation risk</p> <p>With the transition to a low-carbon economy, various stakeholders such as the Chinese government, customers, and business partners expect companies to take proactive management actions and improve transparency of information disclosure in response to climate action. Failure to actively respond to these stakeholders' demands will pose an adverse impact on its own reputation.</p>	<ul style="list-style-type: none"> • Make climate change mitigation and adaptation one of the priorities of each business unit. • Identify and manage climate change risks and opportunities with reference to the TCFD framework. • Communicate climate change as a priority issue to stakeholders through channels such as Environmental, Social and Corporate Governance (ESG) Report. • Promote the development of green products with R&D innovation. • Gradually eliminate equipment with high energy consumption, improve resource utilization efficiency, and continuously reduce carbon footprint in operation process.
		<p>Policy risk</p> <p>China has set carbon neutrality targets and will continue to tighten its regulation on companies' carbon emissions. Potential impacts include: the Company may face higher environmental protection requirements resulting in higher environmental protection costs; the Company may be subject to short-term impacts such as higher energy prices and increased operating costs during the country's energy transition process.</p>	
		<p>Market risk</p> <p>In recent years, customers and consumers have become increasingly concerned about the sustainability of products, which is changing the external market environment in which companies operate. Failure of the Company's products and services to respond to these changes in an effective and timely manner will pose an adverse impact on its operations.</p>	
		<p>Technical risk</p> <p>National and social concerns to address climate change issues increase the urgency of renewable energy applications. Enhancing the competitiveness of the market for PV power generation relies on reduction of operating costs and improvement of efficiency, so the industry chain will pursue more efficient PV technology, which will bring about changes in demand for PV glass products.</p>	
		<ul style="list-style-type: none"> • Decrease in operating revenues • Increase in credit risk • Increase in operating costs • Decrease in operating revenues • Decrease in operating revenues • Increase in R&D investment 	



Results of identification of key climate change risks and opportunities		Potential financial impacts	Countermeasures
Opportunities	<p>Resource efficiency</p> <p>Improving efficiency in the use of resources, including energy and water resources, can help the company reduce costs during operations.</p>	<ul style="list-style-type: none"> • Decrease in operating costs 	<ul style="list-style-type: none"> • Actively adopt green office and green operation measures. • The concept of ecological and environmental protection shall be integrated in the design stage of the newly-built plant to reduce the use of resources in the construction and operation links. • Continuously improve green R&D and innovation investment. • Continuously improve the environmentally friendly and green attributes of our products.
	<p>Energy source</p> <p>Increasing the use of low-emission energy/clean energy in operational activities, such as the adoption of PV power generation, is beneficial in addressing the risk of future energy price increases.</p>	<ul style="list-style-type: none"> • Increase in value of fixed assets 	
	<p>Products and services</p> <p>In the context of low carbon economic transformation, the demand of customers as well as consumers in green products and PV glass products is also increasing, which is also a new market opportunity for the Company.</p>	<ul style="list-style-type: none"> • Revenue growth from increased demand for products and services 	

Improvement of energy use efficiency

The product manufacturing process is the main source of carbon emissions for the Company. The energy consumed by the Company is mainly: natural gas, fuel oil and electricity, and energy consumption is also the main source of greenhouse gases (Scope I and Scope II). Based on the guideline of energy saving and consumption reduction, the Company has put in place a comprehensive energy management system and has been carrying out various energy saving-oriented technological improvement projects, details of which is listed in the main tasks and achievements of the Group's cleaner production in 2021 on page 44 of this Report, to continuously improve the energy use efficiency of its operation activities and reduce greenhouse gas emissions. Currently, the Company has set a greenhouse gas emission target, which is 10% reduction by FY2025 compared with the base year FY2021.




At the same time, the Company has integrated ecological and environmental protection concepts into the design process and built a factory that meets green factory standards to reduce the use of various resources during production and operation. 2021, Flat Glass Group Co., Ltd. was approved as a green factory in Zhejiang Province.

Energy management system

Idea	Policy	Objective	Measures
<ul style="list-style-type: none"> Implement source control and continuous improvement while meeting and improving productivity to reduce impact of production on environment. 	<ul style="list-style-type: none"> SOP of Energy and Resource Management 	<ul style="list-style-type: none"> 10% reduction in total energy consumption intensity per unit revenue by FY2025 to 5.15MWh//RMB10,000 in revenue compared with the base year FY2021 	<ul style="list-style-type: none"> Invest in distributed PV projects for production bases Carry out energy saving-oriented technological upgrading Adopt waste heat power generation equipment to recover waste heat from production process

Case
Active measures to save energy

In 2021, efforts were made by the Company's business units and plants to improve energy use efficiency, further reduce greenhouse gas emissions and reduce the impact of the Company's operations on environment by optimizing production layout, upgrading and renovating equipment and improving the workshop environment.

Measures	Concrete actions and results
 <p>Optimize production layout</p>	<p>The loading rate of toughened products has been improved, and the production workshop has adjusted the number of loading machine operators in time according to the product specifications of the shift, reducing the occurrence of empty load and low loading rate. It is expected to save electricity consumption by 5%-8%.</p>
 <p>Retrofit and upgrade equipment</p>	<p>We have replaced the existing old motors with energy efficient ones.</p> <p>The 600T/D PV glass kiln at Jiaxing site was subjected to cold repair and technical improvement, which reduced production energy consumption and improved production efficiency.</p>
 <p>Improve workshop environment</p>	<p>By renovating the workshop, we have improved the daylight hours in several plants and saved 2 hours of artificial lighting in each plant per day.</p>

Green products manufacturing

In the field of glass research and development, manufacturing, processing and sales, the Company, as a manufacturer of PV glass, provides customers with PV glass products with ultra-high transmittance and diversified performance, and also contributes to the reduction of greenhouse gas emissions. Meanwhile, the Company is committed to continuously optimizing and improving the green attributes of its energy-saving architectural glass, household glass and float glass products through technological innovation. In 2021, the Company's tempered glass for construction, laminated glass for construction and insulating glass for construction were certified as China Green Products.

In addition, in 2021, the Company intended to issue convertible corporate bonds. The proceeds, after deducting the issuance costs, will be invested in a project with an annual output of 750,000 tons of ultra-thin ultra-high-transmittance panels for solar equipment, a distributed PV power plant construction project and a technological transformation project with an annual output of 15 million square meters of solar PV ultra-white glass, in a bid to continue to deliver low-carbon and green products to the market.

Company's actions	Supporting the global efforts for clean energy transition
<ul style="list-style-type: none"> A leading global manufacturer of PV glass products with diverse performance requirements Continuously reducing energy consumption and resource use in the manufacturing process to reduce the environmental footprint of our products 	<ul style="list-style-type: none"> The Company contributes its part to the global efforts for clean energy transition and the achievement of carbon neutrality goals by its competitive PV glass products, which are mainly used in PV power generation modules to provide clean electricity for various industries.



Expanding Global Reach through Sound Operation

Flat Glass always takes operational compliance as the bottom line. By improving its own management system and institution to enhance its risk response capability, Flat Glass has ensured sound operation and sustainable profitability in return for shareholders and investors.



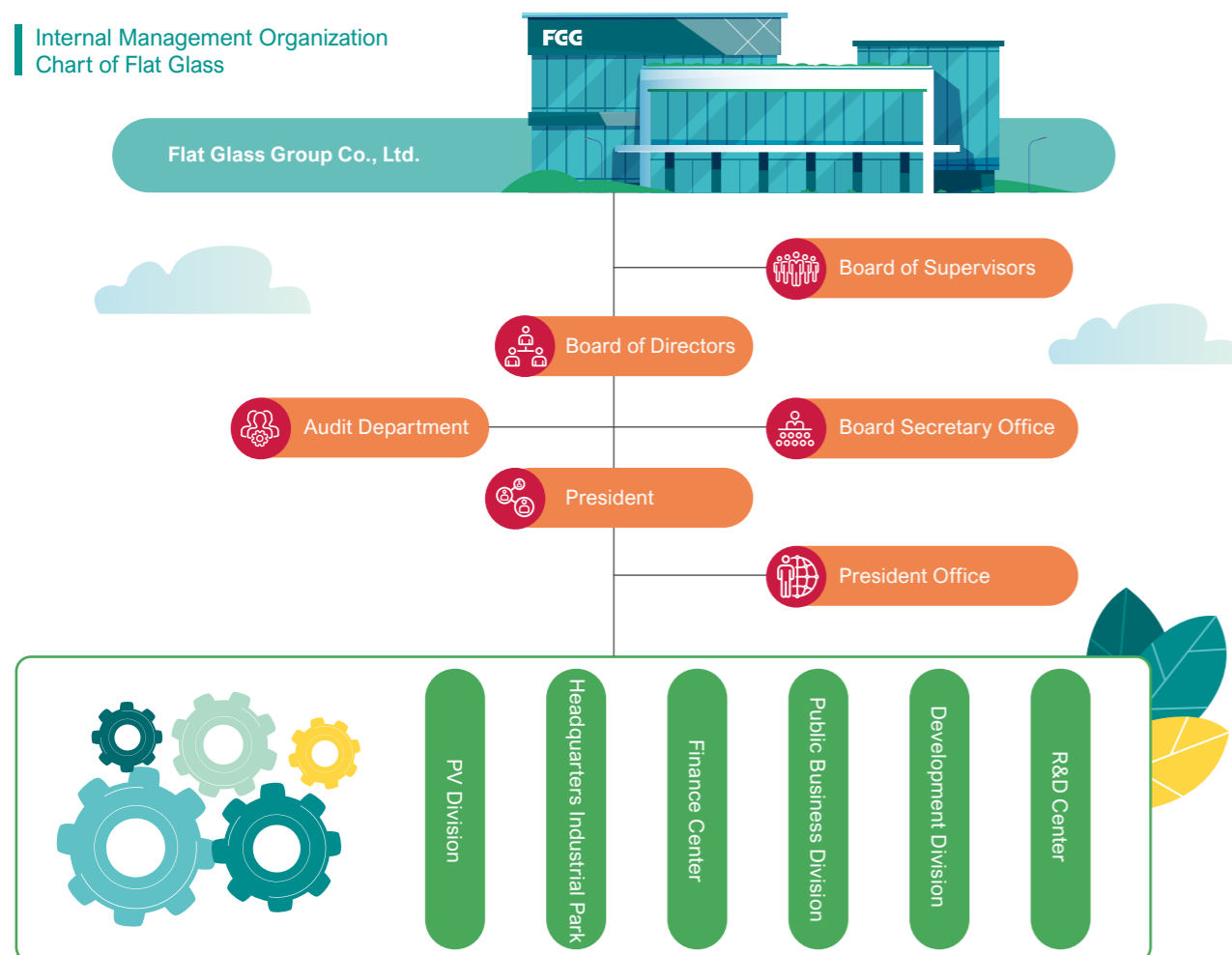
Sound Corporate Governance

Governance structure

As an A and H share company listed in mainland China and Hong Kong, the Company strictly observes the requirements of the Company Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies in China and the listing rules of the Shanghai Stock Exchange and the Stock Exchange of Hong Kong, and continues to improve the corporate governance structure consisting of the Shareholders' Meeting, the Board, the Board of Supervisors and the Senior Management. This organizational structure allows the four bodies to perform their respective duties and responsibilities, and operate in a coordinated manner with effective checks and balances to ensure the standardized operation of the Company and the science-based, standardized and transparent corporate governance.

The Board is responsible to and reports to the Shareholders' Meeting, and executes the resolutions of the Shareholders' Meeting. The Company has 7 directors, including 3 independent directors. In 2021, the Company held 10 shareholders' meetings and 22 board meetings. The Company follows and improves the mechanism of employee supervision and has 2 employee supervisors to strengthen the orderly participation of employee representatives in corporate governance.

Internal Management Organization Chart of Flat Glass



Note: The figure above is the latest organization chart of the Company in 2022. In January 2022, the Company made adjustment to the internal management organization structure by abolishing the "Household Glass Division", merging the related functions into the "Headquarters Industrial Park", and renaming the "Strategy Development Department" as "Development Department".

Composition of the Board of Directors and Board of Supervisors and data of related meetings held

Composition of the Board of Directors and Board of Supervisors	Data of related meetings held
7 directors on the Board of Directors. Among them, 4 are female directors.	10 shareholders' meetings were held. A total of 48 issues were considered.
4 executive directors	22 board meetings were held. A total of 82 issues were considered.
3 independent non-executive directors	13 meetings of special committees of the Board of Directors were held.
There are 5 supervisors on the Board of Supervisors. Among them, 2 are employee supervisors.	19 meetings of the Board of Supervisors were held.

For details of corporate governance, please refer to the Corporate Governance section set out in the 2021 Annual Report of Flat Glass Group Co., Ltd..

Information disclosure

As a link for the Company to communicate information to investors and the public, open and transparent information disclosure can safeguard and protect the legitimate rights and interests of investors, especially small and medium-sized investors. 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 Information Disclosure Management System, the Internal Reporting System for Material Information, the Registration and Reporting System for Informants of Insider Information and other systems to regulate the Company's information disclosure behavior and strictly fulfill its information disclosure responsibilities.



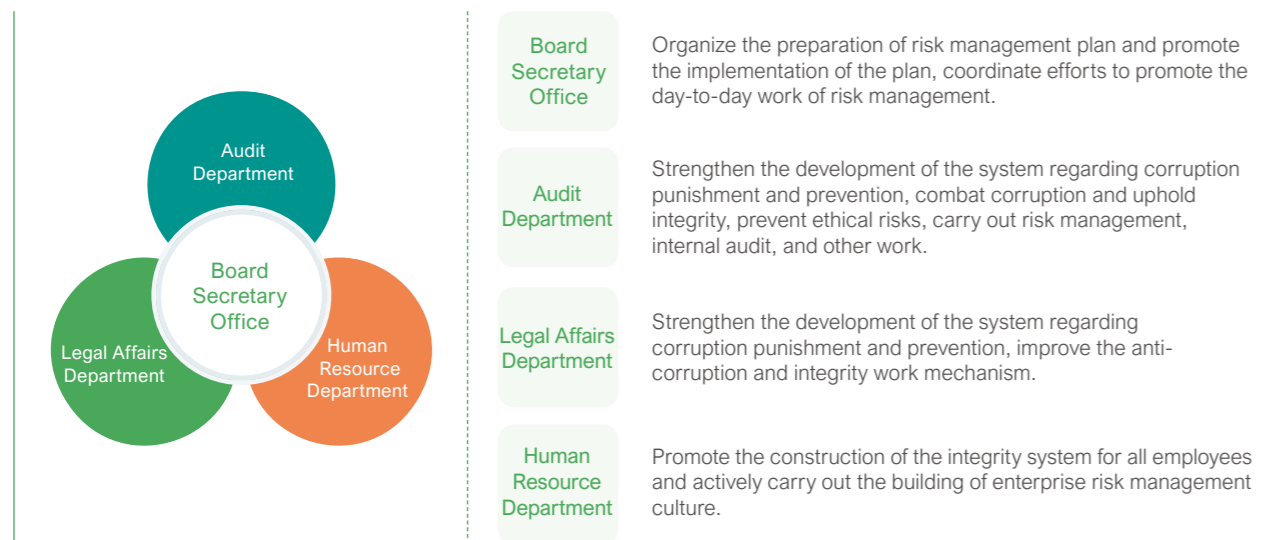
During the Reporting Period, there was no violation of laws and regulations such as the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and Articles of Association, and the Company has disclosed relevant information regarding the results of operations, financial statements, and material decisions in a timely, true, accurate, complete and standardized manner.

Risk Identification and Management

The Company attaches importance to corporate risk control and constantly improves its risk management work and internal control system. It is open to supervision and suggestions from the Risk Management Committee and Audit Committee on risk control, and jointly directs relevant departments to implement the risk management system and execute risk management routines to secure the Company's need for safety control.

The Company takes out liability insurance for directors, supervisors and senior management to reduce the risks or losses that may arise during the performance of their duties. The Company also formulates annual audit plans and conducts internal audits every year. In order to further standardize the internal work of the Audit Department and improve audit efficiency, the Company newly formulated the Code of Procedures for the Audit Department of Flat Glass and Regulations on Internal Audit Penalties in 2021 to regulate the implementation of internal control work. At the same time, based on the risks identified in 2020 and the strategic plan for development in 2021, and in consideration of the deficiency points located in the previous efforts for day-to-day audit and supervision, the Company identified a total of 17 risk points that should be focused on in the audit work from the three internal control element dimensions of control environment, control activities and control means, and carried out relevant audit inspection work in a targeted manner around these risk points.

Division of responsibility for risk management



Risk management process



Key risk elements identified by the Company in 2021



Internal control elements	Risk contents	Risk description
Control environment	Organizational structure	Risks related to system implementation, enterprise system culture, and internal management friction
	Development strategy	The Company should consider how to maintain its industry market share when formulating its growth strategy
	Human resources	Intensified competition for professionals in the industry, insufficient human resources, increased risk of brain drain, and business information leakage due to brain drain
	Corporate social responsibility	Risks related to safety management, emergency response risk, and product quality
Control activities	Procurement business	Feeding risk: Insufficient development of some mineral material suppliers, resulting in supply tension or even shortage
	Sales business	Risk of a serious impact on market share due to the inability of existing products to meet customer demand, which is resulted from the failure to capture changes in customer demand in a timely manner
	Asset management	Risk of inventory shortage or backlog, risk of inventory loss or destruction
	Project management	Project budget estimates are out of line with reality, project supervision is not in place or project funds are not available, delaying project progress
	Fund-raising activities	Credit risk, bad debt risk, foreign exchange rate risk and expansion of the Company's scale, increase in operating capital needs, coupled with great demand for new project capital investment, and capital chain rupture due to the possibility that capital demand overpowers capital supply capacity
	Information system	Information system design does not conform to internal control requirements, improper authorization risks, insufficient information construction, and inefficient internal information transmission
Control measures	Contract management	Risks related to contract subject, contract performance, insufficient post-contract evaluation

Compliance and Business Ethics

Compliance operations

The Company steadily promotes compliance management and continues to improve the system construction and compliance management process. During the Reporting Period, the Company has not been punished or warned by regulatory authorities for zero violations to laws and regulations governing product quality, customer services, intellectual property protection, environmental protection, labor engagement, etc. A list of laws and regulations governing the areas in which the Company involves is detailed in the table below.



Product and service responsibility

China: Product Quality Law of the People's Republic of China, Law of the People's Republic of China for Protection of Consumers' Rights, Foreign Trade Law of the People's Republic of China, Advertising Law of the People's Republic of China, etc.

Vietnam: No.36/2005/QH11 Trade Law, No. 54/2014/QH13 Customs Law, No.107/2016/QH13 Import and Export Tax Law, No.59/2020/QH14 Enterprise Law, etc.

Complied



Intellectual property protection

China: Patent Law of the People's Republic of China, Trademark Law of the People's Republic of China, etc.

Vietnam: No.50/2005/QH11 Law, No.103/2006/NĐ-CP Decree, No.211/2016/TT-BTC Notice, No.22/2018/NĐ-CP Decree, 42/2019/QH14 Law, etc.

Complied



Environmental protection

China: Environmental Protection Law of the People's Republic of China, Atmospheric Pollution Prevention and Control Law of the People's Republic of China, Solid Waste Pollution Prevention and Control Law of the People's Republic of China, Water Pollution Prevention and Control Law of the People's Republic of China, Cleaner Production Promotion Law of the People's Republic of China, Energy Conservation Law of the People's Republic of China, etc.

Vietnam: No.2-2020-QH14 Environmental Protection Law, No.06-2022-ND-CP Decree, No. 08-2022-ND-CP Decree, No.01-2022-TT-BTNMT Circular, No.02-2022-TT-BTNMT Circular, etc.

Complied



Employment

China: Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China, Social Insurance Law, Labor Dispute Mediation and Arbitration Law, Trade Union Law, Law on the Protection of Rights and Interests of Women, Measures for Labor Protection of Female Workers of Zhejiang Province, etc.

Vietnam: 58_2014_QH13 Vietnam Social Security Law, 45_2019_QH14_Vietnam Labor Law, etc.

Complied



Occupational health and safety

China: the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, Regulation on Work-Related Injury Insurances, Work Safety Law of the People's Republic of China, etc.

Vietnam: No.84_2015_QH13 Labor Safety Law, No.39_2016_ND-CP Decree, No. 44_2016_ND-CP Decree, No.58_2020_ND-CP Decree, No.88_2020_ND-CP Decree, etc.

Complied

Anti-corruption

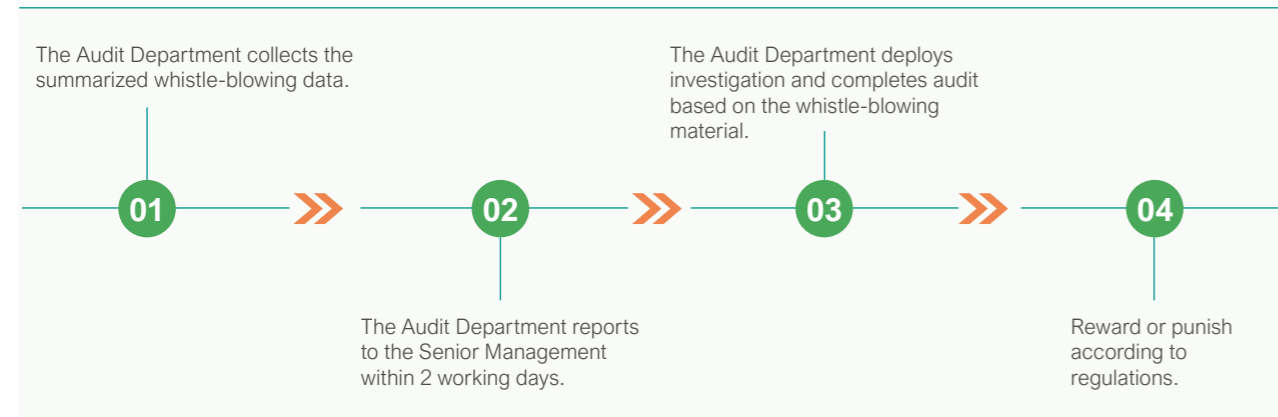
Maintaining good business order and upholding integrity while doing business are prerequisites for sound corporate development. Anti-corruption is the focus of the Company's compliance management. The Company has strictly complied with such laws and regulations as the Anti-Unfair Competition Law of the People's Republic of China and the Interim Provisions on Banning Commercial Bribery, formulated and improved the Fraud Prevention and Whistle-blowing Encouragement System, implemented anti-corruption and anti-fraud management work by strictly following the guideline of prevention before supervision, and regularly conducted anti-corruption training for all employees to develop their awareness of anti-corruption.

To eliminate practices of corrupt, extortion, fraud and money laundering, the Company has restrained the behavior of employees in the Employee Handbook, clearly defined the penalties and treatment measures for employees' bribery, and required employees to sign the "Integrity Pledge" when they get employed by the Company. The anti-corruption work in the procurement process is also the focus of the Company's anti-corruption work. The Company has incorporated clear integrity clauses in most of its contracts signed to communicate anti-corruption principles to suppliers and encourage them to be clean and disciplined.

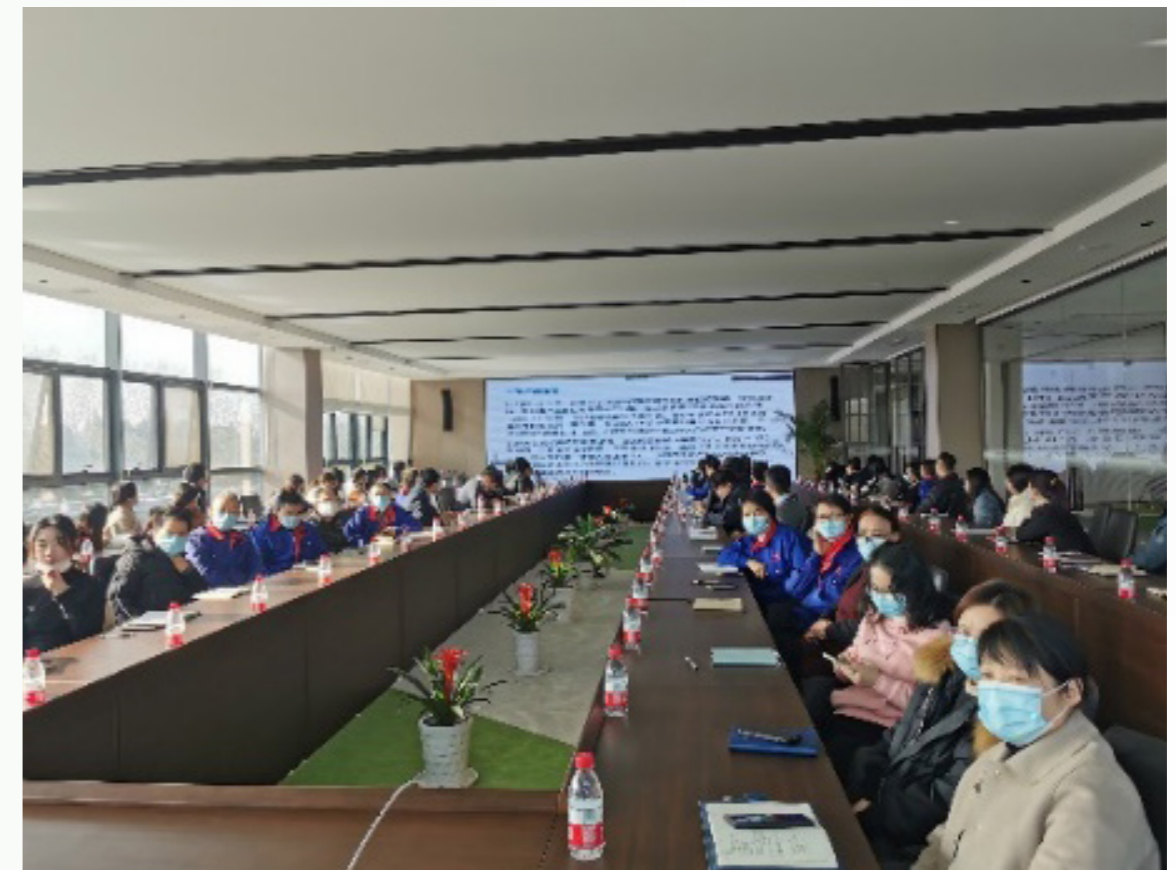


The Company provides employees with clear and smooth whistle-blowing channels such as telephone hotlines, e-mails and letters, and encourages employees to complain and blow the whistle on corruption either in a real name or anonymously. To prevent any retaliation against whistleblowers or relevant witnesses, the Company takes measures to protect whistleblowers and guarantees that the personal information of whistleblowers and all whistle-blowing data provided by whistleblowers are kept strictly confidential. During the Reporting Period, the Company has not witnessed any corruption litigation cases filed and concluded against the Company or its employees.

Anti-corruption whistle-blowing and handling process



Case
Flat Glass 2021 Compliance Training on "Corporate Anti-Corruption and Anti-Bribery"



In December 2021, the Company invited professional lecturers for the compliance training with the theme of "corporate anti-corruption and anti-bribery" both physically and virtually to publicize relevant system regulations and positive and negative cases of anti-corruption and anti-bribery of enterprises, show the Company's persistent zero tolerance stance on corruption and bribery, encourage employees to raise their sense of responsibility, and practice the idea of upholding integrity and being public-spirited. The training involved 173 employees including directors, supervisors, senior executives, as well as relevant employees of departments and offices of the headquarters and subsidiaries.



Scenes of the Compliance Training on "Corporate Anti-Corruption and Anti-Bribery"

Customer First and Pursuit for Quality Excellence

As a specialist serving the glass industry for years, Flat Glass with a vision of "Committed to be a globally influenced company in the glass industry", insists on embracing integrity and quality to become a Chinese national brand engaged in the glass industry. The Company has continued its efforts to improve the quality management and service level and carry out technological innovation to create ongoing value for customers.

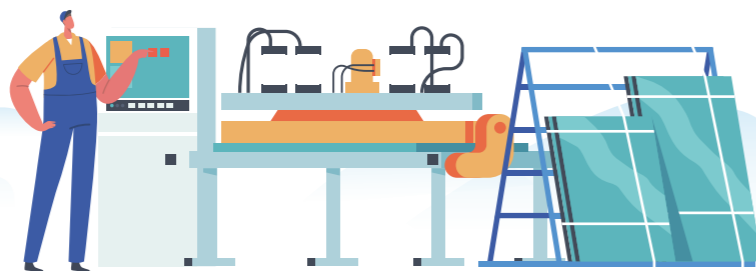
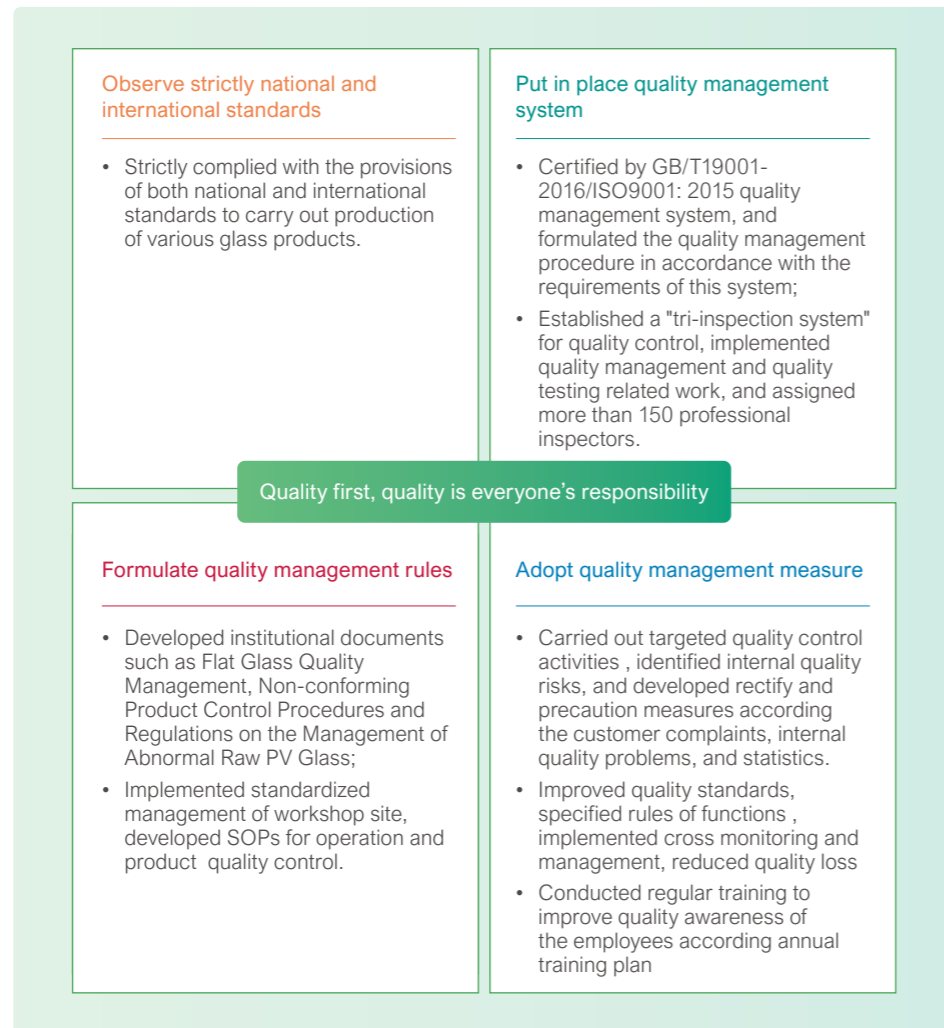
02



Stringent Quality Control

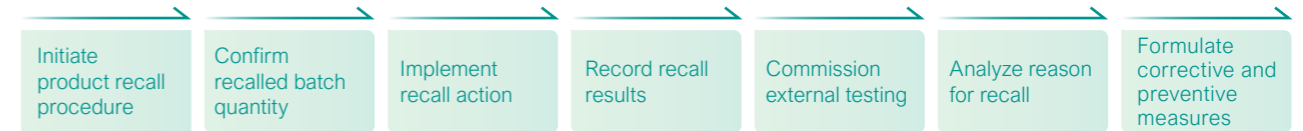
Product quality management

The Company always upholds the business philosophy of "centering on customer satisfaction, to expand market with quality, to develop with improvement" and the quality policy featuring "quality first, quality is everyone's responsibility". The Company, in the pursuit of high-quality development, has put in place a comprehensive quality management system, and to ensure that the quality control measures are effectively implemented in all production links and provide customers with high quality products, the Company has formulated quality management procedures, adopted cross-supervision method, provided quality training, among other measures.



The Company has established the Non-conforming Product Recall Process system to strengthen product safety management and protect the legitimate rights and interests of customers. The Company's General Manager serves as the highest decision maker of product recall, the Sales Department is responsible for the specific implementation of the recall, and the Quality&Technology Department is responsible for the reverse tracing of the non-conforming products. The Company saw zero product recall in 2021.

The Company's product recall process



Measures for quality management in 2021



Actions taken	Specific measures
Establishment of a sound quality system	<ul style="list-style-type: none"> All the Group's production plants have been certified by ISO9000, China Compulsory Certification (CCC), Zhejiang Made, SPF, ROHS, REACH, EN12150 and other product certifications; Throughout the year 2021, we established or revised and issued SOPs such as Regulations of PV Division on Pallet Management, Regulations of PV Division on Excipients Feeding Management, Code of Practice on Quartz Sand Operation, Code of Practice on FLAT Warehouse Management, Code of Practice on Feeding Inspection of Float Glass (Large Version), Control Scheme for Tempered Glass, etc., and promoted the standardization and unification of production, process and inspection of production bases; Increased the audit frequency of suppliers and implemented control over the import of raw materials from the head process.
Technology improvement	<ul style="list-style-type: none"> Made improvement in the technology control of perforated double-glazed products, colorless coated products, and falling ball on back plate.
Enhanced technical supervision	<ul style="list-style-type: none"> Newly purchased glass mechanical performance monitoring equipment to ensure timely, comprehensive and effective product quality feedback and improvement, and to promote steady enhancement of glass performance.
Contribution to quality awareness raised for all employees	<ul style="list-style-type: none"> Carried out regular quality promotion activities at all levels by holding morning meetings, team meetings, weekly meetings, monthly meetings, etc. to improve employees' quality awareness; Improved and optimized internal quality management system and standard documents, and carried out periodical internal supervision and inspection to correct deviations; Summarized product quality data by product/by category, and conducted follow-up analysis in phases before development of measures for improvement; Set up quality appraisal targets for teams/departments, with clear rewards and penalties, to tap internal potential.



Sustainable supply chains

Supplier management is an important part of the Company's efforts to improve quality management and ensure its continuous operation. The Company has formulated and continuously improved the Supplier Management Code to standardize the quality management of suppliers. Besides, it is committed to fostering sustainable partnerships, carrying out fair operations, and guiding and driving suppliers to maintain an enabling business environment on the basis of safeguarding their legitimate rights and interests.

When selecting new suppliers, the Company takes into account their social responsibility performance in environmental management, labor management and anti-corruption, etc., incorporates clear integrity clauses in procurement contracts, and signs Related Parties' Environmental Safety Agreements with suppliers. The Company also requires suppliers to prohibit the use of child labor and comply with the requirements regarding use of underage workers. In the case of comparable quality and price of suppliers, the Company gives priority to cooperating with suppliers with better performance in social responsibility. The Company adopts the most environmentally friendly principles in selecting packaging and arranging logistics, and makes every effort to create a green supply chain.

Flat Glass supplier category

Suppliers for energy sources: natural gas, fuel oil, electricity.

Suppliers for raw materials: fine quartz sand, aluminum hydroxide, limestone, dolomite, mirabilite, etc.

Providers for services: third-party environmental testing and assessment, etc.

Other suppliers: the materials and systems required for new equipment and equipment transformation according to technical transformation.

Environmental and social management requirements for new suppliers

- Environmental responsibility**
 - Take measures to prevent and control environmental pollutants including waste water, waste gas and solid waste;
 - Adopt green product design to save resources as much as possible;
 - Adopt green production to minimize the environmental impact on the production process;
 - Save resources and recycle water resources as much as possible.
- Labor responsibility**
 - Prohibition of the use of child labor;
 - Compliance with the use of underage workers;
 - Safety and emergency measures taken;
 - Safety education and training provided.
- Anti-corruption**
 - Clear integrity clauses incorporated in the procurement contract for operation with integrity and honesty agreed by the parties.

The Company has formulated Procurement Control Procedures and implemented dynamic management of Approved Supplier List. According to Supplier Quality System Audit Process, it conducts annual assessment of key suppliers on various aspects such as product quality, environment, safety, health, and integrity. For suppliers with poor performance in environmental management, labor management and ethics, the Company issues correction notices and provides guidance and suggestions, and if necessary, conducts on-site review and evaluation within a specified period of time, and removes from the Approved Supplier List those suppliers who fail to pass the annual review and correction. Through continuous monitoring, tracking and supervision of rectification, we have continuously improved the environmental and social responsibility performance of our suppliers.

Environmental and social management requirements for key suppliers

- Environmental liability**
 - Eligibility of ISO14001 environmental management system certification;
 - Environmental assessment results;
 - Effective treatment of waste water, waste gas and solid waste.
- Labor**
 - The efforts of safety assessment and fire assessment;
 - The efforts of occupational health and safety measures for employees;
 - The efforts of safety education and training.

Safeguarding Customers' Rights and Interests

Customer service

Customer communication is the basis for achieving customer satisfaction. The Company has actively maintained two-way communication with customers to understand their needs and promote their understanding of the Company's related products. By adhering to the service principle of "customer first", the Company has formulated Customer Service Management Specification, Customer Satisfaction Supervision and Measurement Control Procedure, Specification on the Management of Customer Complaint-based Logistics Return and other system documents, and established a comprehensive customer service workflow, thereby making continuous efforts to improve customer satisfaction. Customers are allowed to submit relevant comments or complaints to the Sales Department or Quality Management Department via on-site visits or emails attached with WeChat pictures. The Company's Sales Department is responsible for providing customers with inquiries and consulting services before and during sales, while the Quality Management Department takes the lead in handling product complaints. In 2021, the Company's efforts in customer exchange meetings, product promotion activities and industry exchange activities enabled a wider range of customers to get the knowledge of its products and helped itself better understand and grasp customer needs.

Whole process customer service

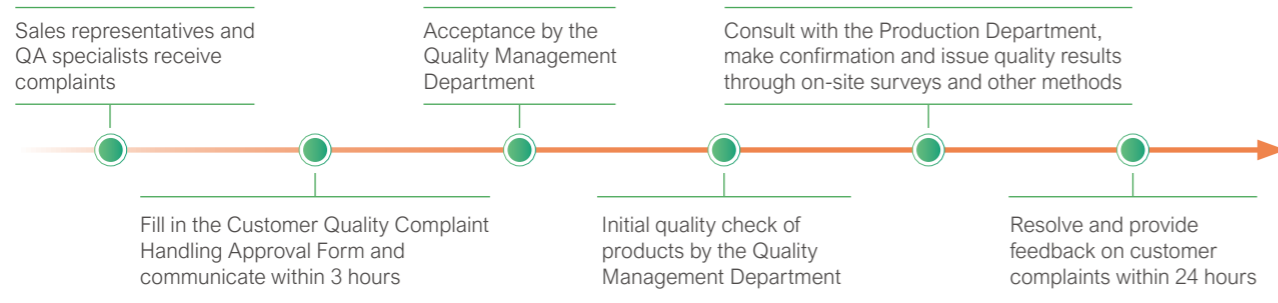
- Before service**

Provide quality and technical consulting services to help customers gain insight into the value of products
- Service during sales**

Actively maintain customer communication and clarify product application scenarios
- After service**

Carry out product satisfaction surveys, gather customer complaints, and make rapid response to customer demands in association with various departments

Customer complaint handling process



Major customer communication efforts in 2021

Customer visit and product promotion event

Customer visits and targeted new product promotion activities enabled more customers to get the knowledge of our related products and helped the Company understand and grasp customer needs.

- Conducted multiple one-on-one offline sessions with clients;
- Participated in the 31st China International Glass Industry Technical Exhibition in May;
- Joined the party at SNEC Fifteenth (2021) International Photovoltaic Power Generation and Smart Energy Exhibition & Conference held in June, at which the three core products of AR coated glass, colorless coated glass and Flat's HTAR double-layer high-transmittance glass, the first in the global industry, won praise from customers at home and abroad.



Exchange among industries

By participating in professional technical seminars, standard workshops, and other events, we showed our expertise & strength, fostered our own brand, and promoted business progress while keeping abreast of the industry pulse.

- Participated in the working meeting for the preparation of Smart Manufacturing Research and Practice in China's Glass Industry, and shared industry wisdom and practical experience to empower high-quality development of the glass industry;
- Attended the first International Dialogue on Energy Transitions themed on "Energy Transitions, Towards Carbon Neutrality" in June;
- Participated in the Ou River Summit and the 2nd International Conference on Industrial and Energy Internet Innovation in July;
- Participated in the annual meeting of China Photovoltaic Industry Association in December.



In addition, the Company formulates a job skills training plan every year and carries out regular training for sales staff to continuously improve their expertise and customer service capability. Each division of the Company conducts a customer satisfaction survey covering all customers once a year. The Satisfaction Questionnaire covers product quality, price, after service, delivery date/plan, cooperation degree, R&D capability, etc. According to the customer satisfaction survey and result analysis, the Company has made targeted efforts for improvement to enhance customer loyalty with high-quality customer service and ensure the stable development of the Company..



Responsible marketing

In the process of product promotion, the Company's publicity materials, sales policies and technical documents are subject to the Company's various specification sheets. There were no such cases as use of product labels or exaggerated presentation or publicity, and there were no violation of relevant laws or regulations in this respect. In 2021, the Company has actively conducted training for its sales staff on topics including product knowledge, product standards and marketing expertise to ensure that clear and accurate product information is provided to customers during product promotion.

Case

Contract Law training for sales staff

The PV Glass Division invited external professional lecturers to conduct Contract Law-related training on the theme of "law risks of contract management and audit practice" for the sales staff within the Division. The presentation on common problems of contract management, case analysis, law risks of contract management and audit focus effectively enhanced the compliance awareness of the Company's professional staff.

Customer information security and privacy protection

The Company attaches great importance to the privacy and information security of customers, and has formulated the Confidentiality System to regulate the management of customer information and clarify the way of punishment of employees for disclosing the Company's secrets, so as to prevent the leakage of customer information to the greatest extent.

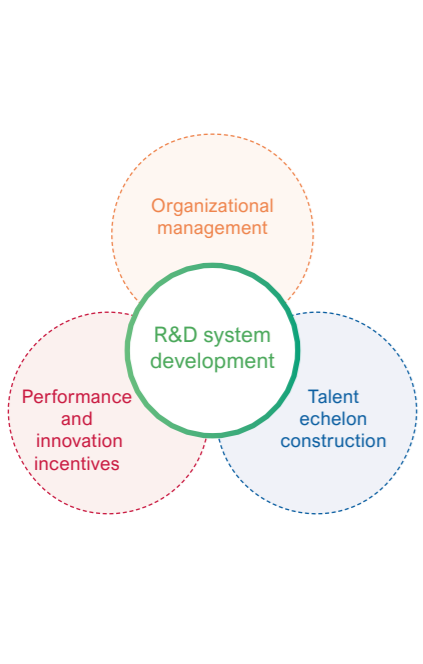
At the same time, the Company has set up a confidentiality mechanism in the contracts signed with customers to keep customers' information strictly confidential, fully respect customers' privacy, and protect customers' legitimate rights and interests. In 2021, there were no identified breaches or litigations against the Company on customer information security and privacy protection, and there were no violation of relevant laws or regulations in this respect.

Ongoing Technology Innovation

Technology innovation

The Company holds "development by improvement" as one of its business guidelines and regards innovation as its foundation for business development. By integrating the innovation concept featuring "innovative thinking, innovative knowledge and innovative technology" into its corporate culture, the Company has continued its efforts to strengthen the Company's independent R&D capability and staff innovation capability. In 2021, the Company further improved its R&D system, promoted new product development, technology leaning and other technological innovation, and was awarded the Leading Innovative Enterprise of Zhejiang Province for 2021.

R&D system development in Flat Glass



Organizational management

- We have built a management structure with General Manager as direct leadership and Tech Lead as R&D Director and fostered a performance appraisal and innovation incentive system and a talent echelon construction system.



Talent echelon construction

- Enlarged R&D team, and implemented internal selection and external recruitment to expand channel for introducing talents;
- Actively carried out long-term industry-academia-research institutes collaboration projects to reserve R&D talents.

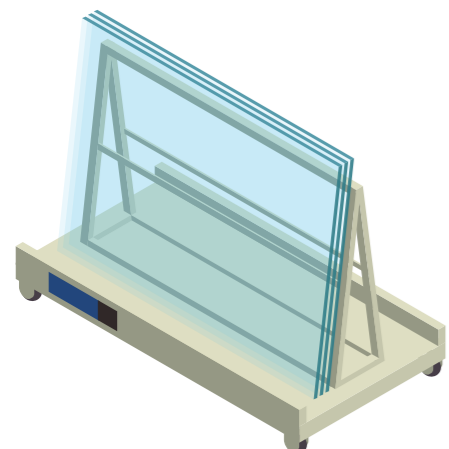


Performance and innovation incentives

- By putting in place the management systems such as Measures for the Administration of Awards Regarding New Product R&D Innovation and Measures for the Administration of Internal Title Appraisal, the Company has improved its internal training mechanism and incentive mechanism, increased the investment in education funds for talent training, strengthened the incentive and reward measures for R&D personnel, and encouraged R&D work.

In 2021, the Company's R&D Department regularly conducted recent weathering resistance tests on coated glass and glazed glass to ensure that the weathering resistance of the products produced is qualified and then monitor the products to ensure stable product performance; conducted strict testing and analysis of various coating solutions and coating solution raw materials produced independently and newly introduced to ensure that the coating solutions are qualified in all performance tests before they are released for use, so as to ensure the stability of the Company's production stability of coated glass; conducted timely project analysis on newly developed glaze and coating solutions in 2021 to ensure the normal development of products and timely development of new testing standards.

With an eye to industry-academia-research institutes collaboration, the Company has, since 2012, signed enterprise-academia cooperation agreements with more than 10 colleges and universities, such as Jiaying Technician College, Bengbu University School of Materials and Chemical Engineering, China University of Mining and Technology School of Foreign Studies, in a bid to establish long-term partnership and continue to deepen the integration of industry and education. In 2021, the Company signed an agreement with Shanghai Jiao Tong University for industry-academia-research institutes collaboration.



Case

Development of proprietary colorless coated glass

In 2021, the Company exerted great efforts for the development of its proprietary colorless coated glass. With the existing technology of anti-reflective film for coated glass, this product has an optimized film structure and a double-layer film system structure, with the bottom layer material refractive index between 1.40-1.50 versus the surface layer material refractive index between 1.30-13.5. Besides, it features optimized and improved denseness of the surface structure of the film layer and increased hardness and wear resistance of the film layer. A reasonable design featuring double glass refractive index and film thickness enables the double-layer coated glass to achieve uniform anti-reflection in the whole wavelength and reduce color difference.

The product can be used in all-black modules to reduce the color difference between modules and enhance the aesthetic effect of the modules. Therefore, it is highly recognized by domestic and foreign module manufacturers who make all-black modules.

Case

Implementation of cooperative education base project by industry-academia-research institutes collaboration

In 2021, the Company, through in-depth industry-academia-research institutes collaboration, teamed up with different levels of colleges including Nanjing University of Science and Technology, Jiaying Nanhu University and Yunnan Communications Vocational and Technical College to promote the implementation of the Company's cooperative education base project, which was shortlisted by the Ministry of Education in 2021 for the supply-demand matching employment education project.



Enterprise-university cooperation meeting between the Company and Jiaying Nanhu University

Performance in technology innovation in 2021



The Company was awarded the title of "Leading Innovative Enterprise of Zhejiang Province in 2021" by the Department of Science and Technology of Zhejiang Province.



Intellectual property protection

The Company has established the management system of Measures for the Administration of Intellectual Properties, set up the Intellectual Property Management Department, and made detailed regulations on the management, use and protection of intellectual property rights, such as patents, trademarks and copyrights, so as to safeguard its own intellectual property rights in accordance with the law, strengthen the management and protection of its own patent rights and technical secrets, trademark rights and trade secrets, as well as copyrights, while respecting and avoiding infringement of others' intellectual property rights. In 2021, the Company saw zero illegal incident/violation or litigation case against intellectual property protection.

Building An Eco-friendly Enterprise through Green Operation

Flat Glass attaches importance to climate change and ecological issues and complies with laws and regulations related to environmental protection and industry guidelines. It has formed a comprehensive environmental management system and procedure to reduce the negative impact of its own operations on environment through efficient use of energy and other resources, effective energy saving and emission reduction, and waste management measures, in an effort to achieve sustainable development of the Company and society.

03



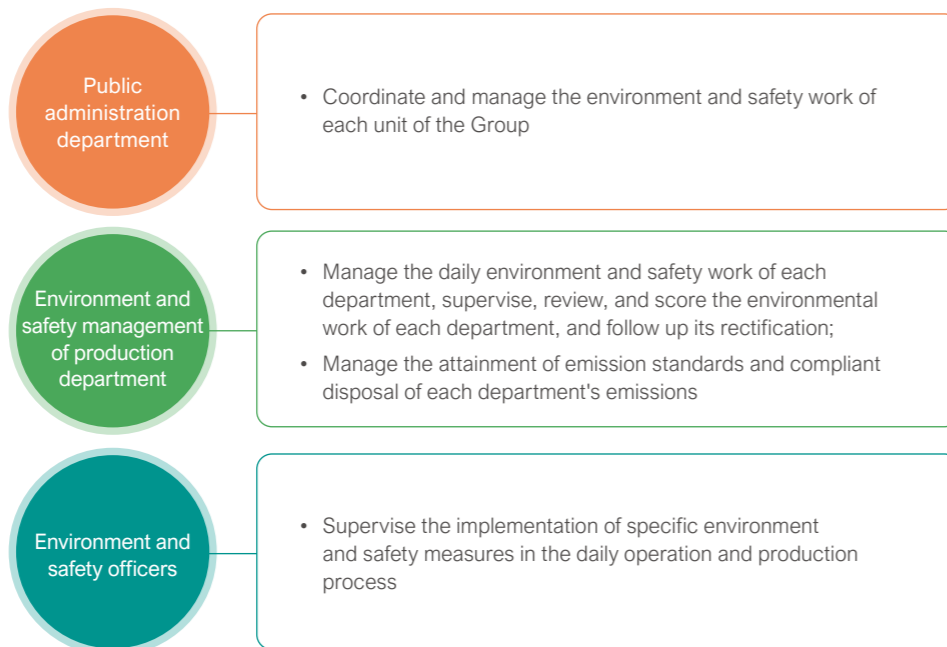
Environmental Management System

Environmental Management System

The Group has strictly complied with relevant local environmental laws and regulations and emission/discharge standards of relevant industries in its daily operation activities, and continuously improved its own environmental management measures. In terms of environmental management system, the Group has set up an environmental management leading group, headed by the General Manager, with principals of each production department and division as members of the said group, to coordinate and manage the environmental and safety work of the Group, and set up environmental safety management departments in production departments and subsidiaries. As of the end of the Reporting Period, the Company has not been subjected to any significant complaints or penalties related to environment.

Guideline	Management policy	Management system certification
Pollution prevention, compliance with emission/discharge standards, energy saving and consumption reduction, clean production, continuous improvement	Environmental Management Regulations	The Group has been certified with environmental management system ISO14001:2015.

Environmental management structure



Environmental Impact Analysis

The Company is mainly engaged in the production of PV glass, float glass, household glass and architectural glass. The Company produces quality glass products through the process flow of melting, calendaring and forming, coating, cleaning, cutting, packaging, etc. During our production and operation process, the main resources consumed include energy, water and raw materials, etc.; the emissions generated mainly include air, solid wastes, and industrial waste water, etc. To properly dispose of various emissions, the Company has set up an automatic monitoring system within the plant to monitor and control the emissions in real time, so as to ensure the production of high-quality glass products while continuously reducing the negative impact on environment.



The Group's environmental impact analysis table

Main resources consumed	Major pollutant emissions
Energy: natural gas, fuel oil and electricity as well as small amounts of gasoline and diesel Water: municipal water supply Raw materials: fine quartz sand, aluminum hydroxide, limestone and dolomite	Air emissions: NO _x , SO ₂ , PM Hazardous waste: waste lead accumulators, waste engine oil, chemical containers (ink boxes/paint buckets, etc.), waste lamps, etc. Non-hazardous waste: waste glass, waste paper, waste wood chips/wood scraps, waste foams, waste plastics, glass powder sludge, food waste, industrial waste, etc. Waste water: ammonia-nitrogen, COD



Energy Direct energy consumption intensity per unit revenue: 4.43 MWh/RMB'0,000 Indirect energy consumption intensity per unit revenue: 1.29 MWh/RMB '0,000	Water Water consumption intensity per unit revenue: 6.80 m ³ /RMB'0,000
Raw materials Fine quartz sand, aluminum hydroxide, limestone and dolomite	Packaging materials Total packaging materials used: 3,075 ton



Air Air emissions per unit revenue: 13,475 m ³ /RMB '0,000	Solid waste Hazardous waste output intensity per unit revenue: 0.46 kg/RMB '0,000 Non-hazardous waste output intensity per unit revenue: 22.80 kg ton/ RMB '0,000
Greenhouse gas Greenhouse gas emission density per unit product: 1.63 tCO ₂ e/ RMB '0,000	Waste water Industrial waste water discharge intensity per unit revenue: 3.03 m ³ / RMB '0,000

Reducing the Environmental Footprint of Operations

Use of Water

The Company's main source of water intake is municipal water supply in our locations, and there was no problem in obtaining suitable water sources that are fit for the purpose of the Company's operation. The Company advocates water conservation. At Flat Glass, the treated waste water have been reused as recycled water to meet demands, thereby saving first utilized water.

The Company has continued its efforts for the improvement of the use of recycled water. In 2021, during the production and operation of the Company, the water consuming system for the pre-treatment punching machine and the flushing system of the workshop toilets replaced new water by recycled water to reduce the use of water resources. The target for water use of the Company is detailed on page 7 of this Report.

Air emission management

In accordance with environmental protection regulations and related requirements, the Company has formulated comprehensive management measures for the emission of nitrogen oxide (NOx), sulfur dioxide (SO₂) and particulate matter (PM) in the production process to ensure that all emission indexes are in line with local and industry emission standards.

Type of air emissions and emission standards

Emission category	Emission type	Monitoring measures	Subject to the emission	Attainment
Air emissions	NO _x	<ul style="list-style-type: none"> Install online air monitoring equipment to monitor emissions in real time; Conduct third-party testing of PM every month; 	<ul style="list-style-type: none"> Implement the emission limit specified in Emission Standard of Industrial Air Pollutants of Flat Glass (GB26453-2011); 	Reached
	SO ₂			Reached
	PM	<ul style="list-style-type: none"> Conduct third-party comparative testing of SO₂, NO_x and PM every quarter; Conduct third-party testing of sulfur concentration in fuel oil regularly. 	<ul style="list-style-type: none"> Discharge 70% according the requirements of Zhejiang Air Pollution Prevention and Control Action Plan. 	Reached

Waste management

The Company has maintained consistently high standards and strict requirements in the implementation of its waste control system. Specifically, it has formulated the Waste Control Procedures to regulate the waste control operations. The hazardous wastes generated from the Company's production and operation activities include waste lead accumulators, waste engine oil, chemical containers (ink boxes/paint buckets, etc.), waste lamps, etc. To dispose these hazardous wastes, an approved third party company has been entrusted the Company.

The Company's non-hazardous wastes include waste glass, waste grinding wheels, waste paper, waste wood chips, wood scraps, waste foams and waste plastics, etc. It follows the principle of reduction and reuse for waste control to maximize resource utilization.

Type of solid waste and discharge standards

Category	Type	Control system	Diposal method
Hazardous wastes	Waste lead accumulators, waste engine oil, chemical containers (ink boxes/paint buckets, etc.), waste lamps, etc.	GB Standard for pollution control on hazardous waste storage Hazardous Waste Management System	Entrusted to an approved waste disposal company for disposal
	Waste glass		Recycled by the Group
Non-hazardous wastes	Waste grinding wheels, waste paper, waste wood chips, wood scraps, waste foams and waste plastics	Waste Control Procedures	Recycled by suppliers
	Sludge		Recycled by a building materials company for brick making
	Food waste		Entrusted to an approved company for unified treatment

Waste water discharge management

The main pollutants in the Company's industrial wastewater are organic matter and NOx. The Company has applied for wastewater discharge permits in accordance with the requirements of national and local authorities, strictly implemented discharge declaration and discharge registration, and established wastewater treatment systems, including collection tanks, sedimentation tanks, valveless filtration, precision filtration and clear water tanks. Waste water has been discharged through the outlet in a uniform manner to meet the standards.

Type of waste water and discharge standards

Category	Type	Monitoring measures	Subject to the emission standards	Attainment
Industrial waste water	COD	<ul style="list-style-type: none"> Install online wastewater monitoring equipment to monitor discharges in real time; Sewage treatment companies are entrusted to conduct sampling monitoring four times a month; The Company requires an external testing once a year. 	Integrated Wastewater Discharge Standard (GB8978-1996)	Reached standard
	NOx			Reached standard

The main tasks and achievements of the Group's cleaner production in 2021

Targets	Measures
Reduction of air emissions	<ul style="list-style-type: none"> The Company put a set of integrated dust, nitrate and sulfur treatment facilities into operation to treat air emissions with higher treatment efficiency and online compartmentalized maintenance
Reduction of hazardous wastes	<ul style="list-style-type: none"> Urged suppliers to use harmless packaging materials Adopted inner packaging bags to reduce the external packaging of hazardous waste
Reduction of non-hazardous wastes	<ul style="list-style-type: none"> Waste grinding and polishing wheels were re-glued using epoxy resin adhesive, waste were reused, single groove grinding wheels were reduced, and double and triple groove grinding wheels were widely used; waste polishing wheels were reduced by 30% on the basis of data for 2020 According to the size of wooden boxes, the specifications of the boards were customized to reduce scraps, with a 10% reduction of the waste wood on the basis of data for 2020
Reduction of wastewater discharge	<ul style="list-style-type: none"> Improved the reuse rate of grinding wastewater, etc.; utilized rainwater, etc. as water for production

Case

Technology transformation for the project with an annual output of 15 million square meters of solar PV ultra-white glass.

In May 2021, the Company carried out a cold repair and technical transformation of a PV glass kiln with a daily melting capacity of 600 tons/day. A total of 150 units of the original inefficient motors were replaced and eliminated by using motors with high energy efficiency, and the energy efficiency of the new motors was improved by about 1% after replacement, saving energy consumption of about 250 tons of standard coal per year. At the same time, thanks to the infrared high radiation energy-saving coating, which was used as insulation material for this kiln project, the energy efficiency of the glass kiln was improved by 5%, saving energy consumption by about 3,373 tons of standard coal per year.





Pooling Efforts for Fusion and Symbiosis

Flat Glass expects to make a positive impact on the Company and society at large and fulfill our corporate social responsibility. Flat Glass expects to be a leading player in the glass industry while caring for our employees and giving back to the community, contributing maximum value to our employees and society, and promoting the common prosperity of our company and society.

Safeguarding Employees' Rights and Benefits

Employees' rights and benefits

The Company protects all legal rights and interests of employees, strictly abides by the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and other laws and regulations, follows the Compilation of Human Resource Management Systems, the Annual Performance Appraisal Management Measures, the Attendance and Leave Management System and the Compensation Management System formulated by the Group to enable a diversified and inclusive work culture atmosphere for employees. The Company adheres to the principles of fairness, impartiality and openness in the recruitment and employment of employees and undertakes to provide equal opportunities in job interview, recruitment, promotion, transfer and salary, etc. It does not discriminate or treat employees differently regardless of age, gender, place of origin, religious beliefs, marital status, etc. and strictly prohibits the employment of child labor or forced labor. As of the end of the Reporting Period, the Company had 5,679 regular employees. The Company has not committed any violations of employees' rights and interests or violated any applicable employment and labour laws or regulations, nor has it been subjected to any complaints or penalties from regulatory authorities.

Overview of labor engagement and basic rights system

Recruitment management

- Recruitment:** We adhere to fair employment practices, we do not discriminate against or impose unfair treatment on employees regardless of age, gender, native place, religious belief, marital status, etc., and we say no to the employment of child labor or forced labor.
- Dismiss:** We have established a standardized separation management and dismissal process to fully protect the legal rights and interests of employees in the process of dismissal.
- Compensation:** We have implemented fixed post and salary management, and the duty allowance base and the maximum bonus base for the management staff are subject to their ranks and technical titles.

Promotion and development

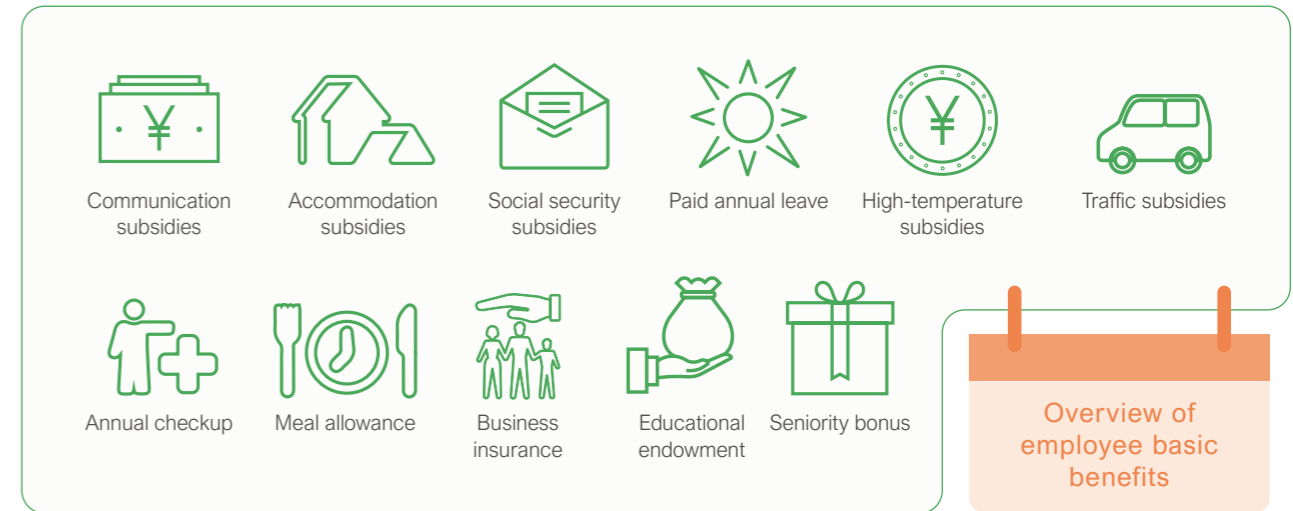
- We provide open and transparent promotion channels and encourage employees to gain a clear picture of their career orientation and choose the right career path for themselves. At the same time, through rotation and competitive recruitment, we provide development channels for each employee.

Labor hour and vacation

- Labor hour:** Our employees work 5 working days (40 hours) a week according to a standard labor time system; For employees involved in production, service, mechanical & electrical, R&D and other positions, we have implemented a comprehensive working hour system and an irregular working hour system, and submitted the comprehensive working hours for approval according to law; overtime work is paid in accordance with the labor law.
- Leave:** Our employees are entitled to national holidays, marriage leave, maternity leave, paternity leave, sick leave and other paid holidays in accordance with the law. Overtime work is paid for days of untaken annual leave.

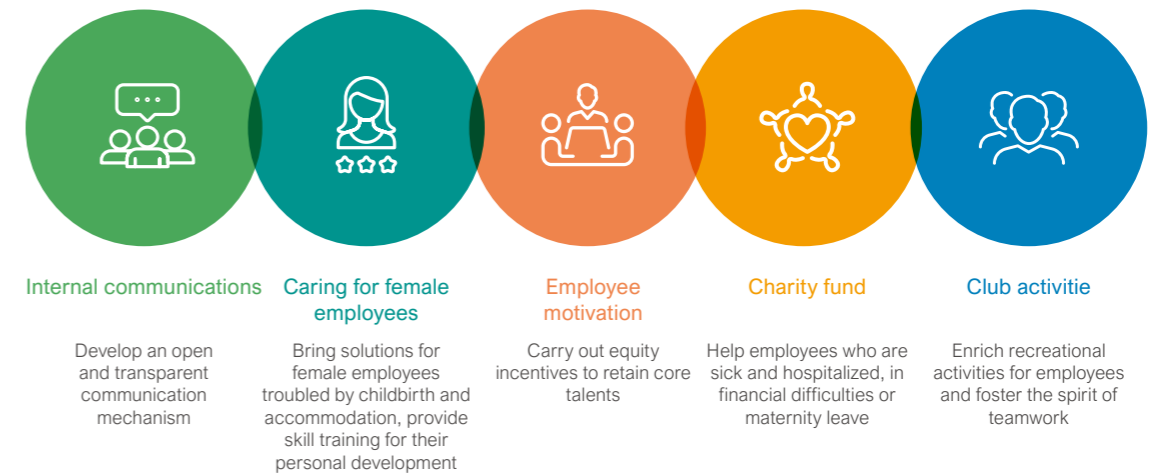
To better improve the Company's welfare system in 2021, the Company issued the Notice on Flat Group Welfare Details to all divisions, centers, subsidiaries and departments to further clarify the details of 22 welfare items such as cultural and sports activities, transportation welfare, medical and health care, and education fund company-wide.

The Company has actively implemented various employee welfare policies, and provided various basic subsidies such as high-temperature subsidies, traffic subsidies, communication subsidies, etc. on the basis of guaranteeing employees' legal rights to obtain labor remuneration and enjoy five social insurances and one housing fund as required by law, rest time, etc. In order to attract, retain, cultivate and motivate talents, the Company has purchased supplementary commercial insurance for retired staff, student groups and overseas business travelers; and purchased millions of medical insurance for employees who have been employed for one year.



Caring for employees

The Company focuses on securing an efficient, relaxed and comfortable team climate for its employees, providing smooth communication channels and implementing employee care, and enriching their lives while also enhancing their sense of belonging and cohesiveness to help them quickly adapt to new environments. At the same time, the Company cares for its employees and makes them homelike through benefits such as charity fund, birthday care, holidays and meal allowance.



Employee communications

The Company is committed to creating an open, transparent and trusting working environment, establishing employee communication channels through employee representative meetings, employee interviews and seminars, and regular expert lectures, etc., listening to employees' voices, solving their problems and promoting the harmonious development of corporate labor relations. Employees are allowed to blow a whistle, submit complaints or feedback their demands either via WeChat, direct communication with the HR department or the Company's email.

At the same time, the Company has formulated the Notice of Flat Group on the Scope of Acceptance of Reasonable Suggestions and Incentives to encourage employees to contribute their parts to the development of the Company. A total of 189 reasonable suggestions were accepted by the Company in 2021.

Charity fund

In order to bring into play the team spirit and courtesy of employees and further reflect the people-oriented mindset of the Company, the Company's Charity Fund has helped those employees who are sick and hospitalized, or in financial difficulties or maternity leave, and offered condolence payments or send blessings to employees who are involved in personal events such as weddings and funerals. In 2021, efforts of Charity Fund has benefited 236 individuals in total.



Caring for women

The Company recognizes and respects the diversity of its employees and is committed to creating a diverse and inclusive work culture for its employees. To promote gender balance and drive cultural diversity, the Company has cared for its female employees and helped them address the obstacles they encounter in their careers and build self-awareness and confidence.

Measures	Description
Safeguard by rules and regulations	The Company has established a women's federation and provided care for female employees in their menstruation, pregnancy, childbirth, breastfeeding and menopause through the establishment and improvement of the Five Period Protection Management System for Women. All these efforts have benefited female employees
Extend care during festival	The Company offers holiday condolences on Women's Day every year, and conducts targeted interviews to be aware of the change of ideas and personal demands of female employees
Secure accommodation	The Company provides dormitories for female employees, including single rooms and double rooms for couples, etc., so as to solve the problem of accommodation
Provide skill training	The Company encourages female employees to participate in our daily production and construction, provides skill training for individual growth, and sets up female forklift teams in each subsidiary

Employee motivation

In order to further establish and improve the medium and long-term incentive and restraint mechanism and introduce the scarce talents, leading talents and high-end talents in the frontier business, the Company has implemented the A-share incentive plan for the middle and senior management and core technicians in 2021, granted 700,000 shares from the restricted A-share stocks reserved for registration, with 3 incentive targets; granted 5,245,472 shares from the A-share stock options for registration, with 283 incentive participants.

Cultural and sports activities dedicated to employees

The Company cares for employees' lifestyle and spiritual and cultural cultivation by holding various forms of cultural, sports and recreational activities and club activities to stimulate the vitality and creativity of employees, enrich and activate their cultural and recreational lifestyle, and develop their entrepreneurial spirit, perseverance and teamwork.

In 2021, the Company held speech contest, book club event, rice dumpling making on the Dragon Boat Festival, talent show, youth group building activities, badminton competition and other forms of amateur activities, and set up calligraphy club, art troupe, to strengthen overall development of employees.

Case
Line Dance Competition held in honor of the 100th anniversary of the founding of the Communist Party of China

In May 2021, in order to celebrate the 100th anniversary of the founding of the Communist Party of China, the opening ceremony of the 2021 Enterprise Culture Festival and the Line Dance Competition was held at PV Sci-Tech Museum, Xiuzhou National High-tech Zone. The line dance team composed of 11 members



Scenes of the opening ceremony of the 2021 Enterprise Culture Festival and the Line Dance Competition in Xiuzhou National High-tech Zone

Case
"Mid-Autumn Festival Celebration"snow skin mooncake making event

In September 2021, in order to enrich the spiritual and cultural lifestyle of employees, promote communication among employees, increase organizational cohesion, and at the same time promote the culture of traditional Chinese festivals and demonstrate our employees' patriotism and love for family and life, the Company held a "Mid-Autumn Festival Celebration"snow skin mooncake making event.



Scene of Mid-Autumn Festival Celebration

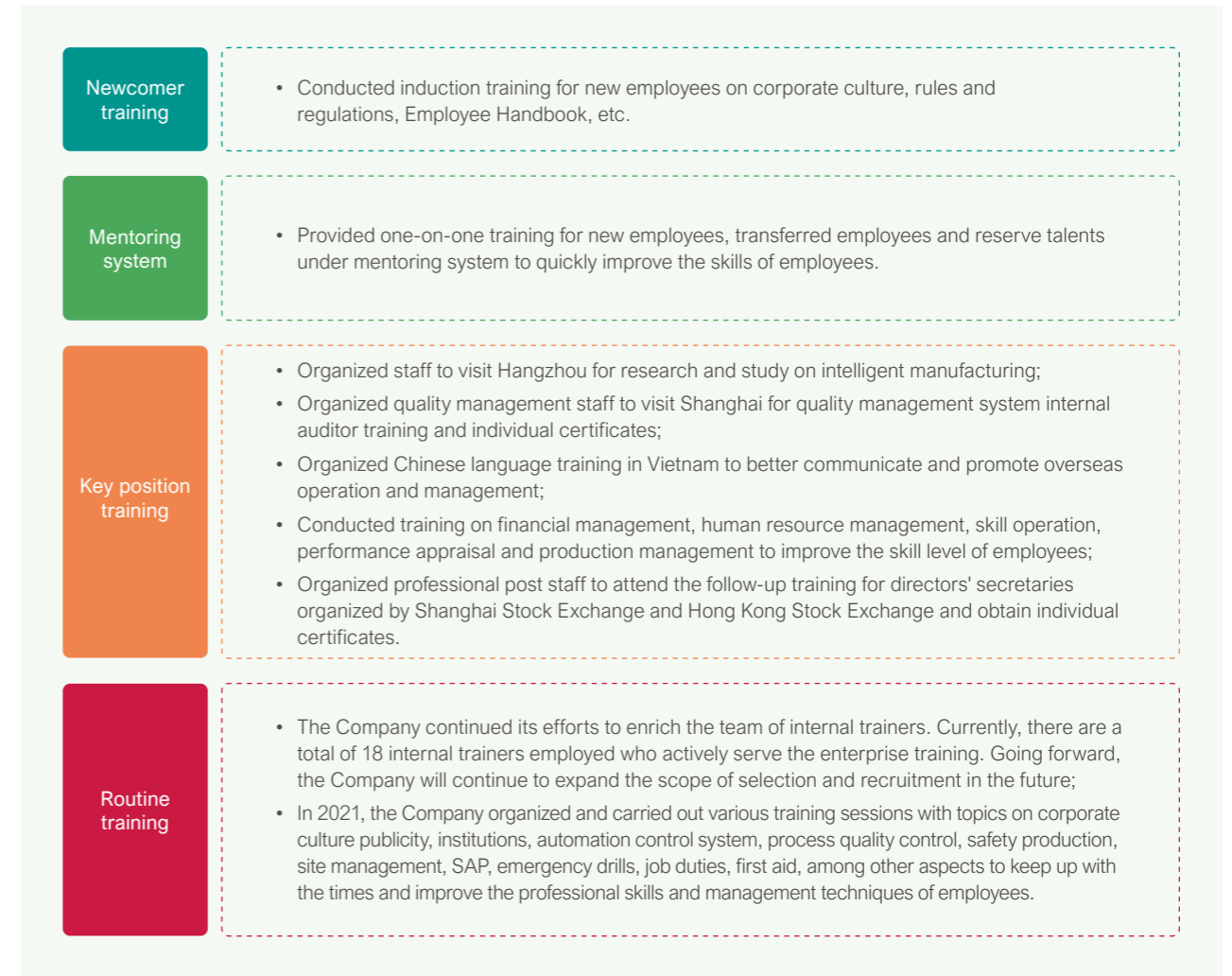
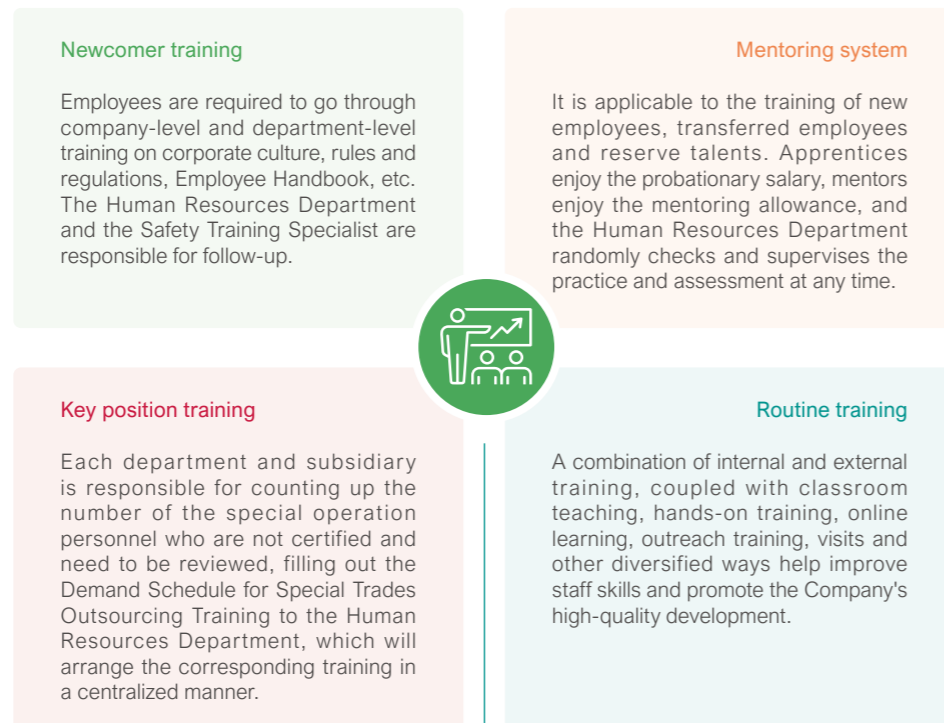
Empowering Employee Growth

Supporting employees to achieve career development and value of life is an important mission of the Company for their growth. To this end, the Company provides diverse training for employees to continuously enhance their expertise and skills, improve their management skills, and help them build meaningful careers.

Staff training

The Company has been vigorously promoting the "craftsmanship", and committed to the building of a learning organization and the establishment of a team of versatile professionals who honor dedication, put equal stress on integrity and ability, are proficient in skills, and pursue innovation. Over the years, the Company has focused on the development of employee training system through a targeted and diversified talent training system to continuously improve the ability and value of employees. The Company has also set up a special education fund to ensure that employees can enjoy free skill level training and professional proficiency training. In 2021, the Company conducted a total of 562 training sessions.

Efforts for staff training in 2021



Staff development

The Company has secured clear and transparent promotion channels for employees, and has formulated Staff Development Management System, Staff Rotation System, Performance Management System, etc. to smooth channels for the career development of employees.

The Company, based on the status of the work system, has provided employees with a "dual-track" career development system in which "horizontal model" and "vertical model" coexist, and monthly assessment of employees has also been applied. According to their actual situation, employees can choose either "vertical development, horizontal development, or integrated development", whichever the best solution. Employees can also be involved in the rotation of the Company's echelon talent training, interdepartmental rotation and intrafunctional rotation through the Company's rotation plan to confirm their career orientation and future development interests.

In addition, the Company supports employees to upgrade their academic and vocational levels, and provides financial assistance for employees to obtain academic degrees or vocational certificates. The Company has continued to do a good job in the development of standards and evaluation norms for each type of work and appraisal, improved the evaluation mechanism and system, and promoted efforts of vocational skills level appraisal in the Company. In 2021, the Company organized appraisal of 23 technicians, 20 of whom obtained the title of intermediate engineer and assistant engineer. At the same time, the Company organized the training and assessment of fitters, and finally a total of 22 fitters passed both the theoretical examination and practical assessment and certified as fitters (rank V) after strict review and fair and just assessment by the Company's appraisal team.

Protecting Employees' Health

Employee health and safety has always been the top priority in the Company's business management. By following the "6S" management policy of Seiri, Seiton, Seiso, Seiketsu, Shitsuke and Security, focusing on the standardization of production safety and job safety attainment, and taking great efforts for accident and hidden danger investigation and management, the Company has ensured the health and safety of all employees, and secured them a safe and comfortable workplace where they are free from occupational hazards.

Production safety

The Company regards employee safety as one of its priorities, strictly abides by the Law of the People's Republic of China on Work Safety, Regulations on Work Safety Permits, Regulation on the Safety Management of Hazardous Chemicals and other national laws and regulations related to safe production, and strengthens the safety management of the Company by continuously strengthening the top-level design of safety management and optimizing and improving the safety management system of the Group.

The Company has formulated a production safety responsibility system, set up a production safety committee at the Group level, identified General Manager as principal of the Company's production safety, and created a production safety responsibility group in each business division as a management body to effectively implement all production safety work.

Production safety and occupational health management system



The Company has set annual production safety targets and indexes, carried out safety control on production processes, strengthened the development of safety culture, developed emergency plans, and mobilized emergency drills, in order for production safety accidents prevention and reduction and protection of life and property security for the Company and its employees. For the last three years, the Company has seen zero death for work-related injury.



Set production safety targets

- Set production safety targets and indicators every year, and assess the implementation of the targets and indicators.



Carry out safety control on production processes

- Establish a production safety management system and standardize the safety of production processes;
- Put in place the Management System of Hidden Danger Investigation and Governance, investigate hidden dangers by carrying out safety inspection, and put on file accordingly.



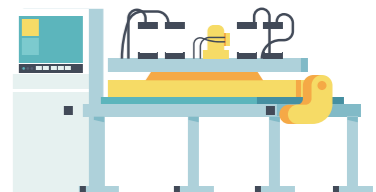
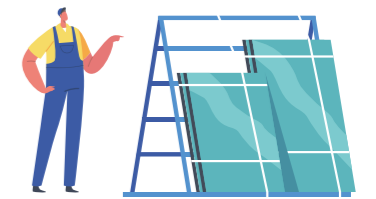
Development of safety production culture

- Establish a Safety Education and Training System;
- Continue efforts to carry out job competence enhancement and production safety training to continuously improve employees' safety awareness.



Mobilize emergency response

- Formulate the Accident Emergency Rescue System, put in place an emergency command system an emergency plan for the emergency rescue team;
- Regular safety emergency drills are carried out to locate the problems existing in the emergency plan by simulating the site of accident, so that continuous improvement can be made for the emergency plan.



Case

Fire safety training and emergency evacuation drill held

In May 2021, the Household Glass Division gathered people concerned for fire safety training and emergency evacuation drills conducted in all workshops and departments, in a bid to train on the use of fire extinguishers and emergency fire drills for escape on site, improve employees' ability to use various types of firefighting equipment and to cope with fire safety events such as fires.



Fire safety training for Steel workshop I



Emergency evacuation drill for Bevelled Mirror Glass workshop

Occupational health

The main occupational disease hazards existing in the Company's workshop include high temperature, limestone dust, acid fog, noise, etc. In accordance with the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases and other laws and regulations, the Company has put in place the Regulations on Management of Labor Protective Supplies and other related occupational health management systems, supplemented the Occupational Health Management System in 2021, and has passed ISO45001:2018 (GB/T 45001-2020) occupational health and safety management system certification.

Every three years, the Company commissions an external professional organization to identify the occupational disease hazards in the Company's workplace. In September 2021, the Company commissioned Zhejiang Hebang Security Technology Co., Ltd. to conduct the evaluation of the current situation of occupational disease hazards before the generation of a written evaluation report on the current situation, and invited occupational health experts to review and accept the evaluation report and the site. The Company has taken a series of occupational disease prevention measures such as equipping occupational disease protection tools, replacing equipment and arranging regular occupational disease medical checkups to effectively prevent and control occupational disease hazards of personnel exposed to occupational hazards.

In May and October 2021, the Household Glass Division provided all employees in the divisions with occupational health and safety training on wearing of articles for labor protection, safety risks of each position, preventive measures, and presentation of cases of work-related accidents.

Key points of occupational disease risk prevention

	<p>Provision of tools for occupational disease prevention</p>	<ul style="list-style-type: none"> According to the prevention and control requirements of the existing occupational disease risks, in terms of personnel, dust masks (NK95) and ear plugs have been distributed to operators at each position exposure to occupational diseases as per the prevention and control needs, and the employees have been urged to use them.
	<p>Renovation of facilities for hazards reduction</p>	<ul style="list-style-type: none"> Replaced high-noise equipment with low-noise equipment and set up vibration and noise reduction measures; Conducted technical improvements for noisy positions in the workshop to reduce the adverse effects of noise on employees.
	<p>Regular physical examination</p>	<ul style="list-style-type: none"> Carried out pre-employment medical examinations and off-the-job medical examinations, and regularly organized occupational disease medical examinations for personnel on duty.



Giving Back to Society

The Company always keeps promotion of social causes in mind while seeking self-development, and is enthusiastic about social welfare, actively organizing volunteer teams to contribute to community development. In 2021, the Company's combined public welfare donations in promoting quality education and flood relief amounted to RMB 1,497.1 thousand.

Case

Supporting efforts of youth public welfare program to contribute our part to common prosperity

To actively respond to the call of the Party Central Committee to push "Those Who Become Prosperous First to Help Those Who Lag Behind", and care about support the public welfare of the youth, the Company voluntarily donated RMB 1 million to a common prosperity fund dedicated to youth development in Jiaxing City set up by the Jiaxing Municipal Committee of the Communist Youth League in December 2021 in Zhejiang Provincial Youth Development Foundation to contribute to youth development.



Donation to Zhejiang Youth Development Foundation

Case

Volunteer blood donation and love pass activity

Volunteer blood donation is a major livelihood task related to people's health and life safety, an important part of cultural and ethical progress and volunteerism, and a practical action to practice socialist core values. In February 2021, the Company called on its employees to join efforts for the Volunteer blood donation and love pass activity to promote the volunteer spirit of "dedication, fraternity, mutual help and progress", practice the core socialist values and show care about others.



Volunteer blood donation and love pass activity scene

Key Quantitative Performance

Economic Performance

Indicator	Unit	2020	2021
Revenue	RMB 0,000	626,041	871,323
Total profit	RMB 0,000	187,390	238,022
Net asset per share	RMB	3.54	5.50
Social contribution value per share ¹	RMB	1.13	1.46

Note:

[1]. Social contribution value per share = (net profit attributable to ordinary shareholders excluding non-recurring items + payments to the government + employee compensation and benefits + interests paid on loans to creditors such as banks + amount of value (such as external donations) created for other stakeholders - other social costs caused by environmental pollution, dismissal of employees, etc.) / total number of shares of the Company. The Company corrected the social contribution value per share of FY2020.

Environmental Performance

Indicator	Unit	2020	2021
Total direct energy consumption ¹	MWh	2,917,055	3,858,932
Direct energy consumption intensity per unit revenue	MWh/RMB 10,000	4.66	4.43
Total indirect energy consumption ²	MWh	748,660	1,126,902
Indirect energy consumption intensity per unit revenue	MWh/RMB 10,000	1.20	1.29
Water consumption	m ³	4,941,428	5,924,632
Water consumption intensity per unit revenue	m ³ /RMB 0,000	7.89	6.80
Recycled water consumption	m ³	7,034,710	6,096,661
Total air emissions	m ³	7,061,740,041	11,758,631,347
Nitrogen oxides (NO _x) emission	kg	1,965,286	2,413,011
Sulphur dioxide (SO ₂) emission	kg	1,072,670	938,396
Particulate matter (PM) emissions	kg	99,141	121,043
Industrial waste water emissions	m ³	1,700,582	2,636,345
Industrial waste water emission intensity per unit revenue	m ³ /RMB 0,000	2.72	3.03
Ammonia nitrogen emission concentration	mg/l	5	5
Chemical oxygen demand (COD)	tonne	159	178
Hazardous waste produced	tonne	352	397
Hazardous waste produced intensity per unit revenue	kg/RMB 0,000	0.56	0.46
Non-hazardous waste produced	tonne	15,780	19,865
Non-hazardous waste produced intensity per unit revenue	kg/RMB 0,000	25.21	22.80
Total greenhouse gas emissions(Scope I) ³	tonne carbon dioxide equivalent	696,445	737,008

Indicator	Unit	2020	2021
Total greenhouse gas emissions (Scope II) ⁴	tonne carbon dioxide equivalent	456,757	654,730
Total greenhouse gas emissions	tonne carbon dioxide equivalent	1,153,203	1,391,738
Greenhouse gas emission intensity per unit revenue	tonne carbon dioxide equivalent/RMB 0,000	1.84	1.60
Total use of packaging materials	tonne	-	3,075
Total use of packaging materials per unit revenue	kg/RMB 0,000	-	3.53

Note:

[1]. The direct energy consumption includes the use of fuel oil, natural gas, PV-generated electricity, gasoline usage of private vehicles and diesel usage of private vehicles. The direct energy consumption was converted into MWh based on the average lower heating value (LHV) coefficients of various energy sources published in the China Energy Statistical Yearbook 2017 by the Department of Energy Statistics, National Bureau of Statistics.

[2]. Indirect energy consumption refers to the use of purchased electricity.

[3]. Category 1 GHG emissions include direct greenhouse gas emissions from natural gas consumption, self-owned vehicles gasoline consumption and diesel consumption of diesel generators of the Company, the calculation method of which is with reference to the recommended values of related parameters in *the Greenhouse Gas Emissions Accounting and Reporting Requirements Part 7 for Plate Glass Manufacturers(GB/T 32151.7 — 2015)*. Recommended values of related parameters. The applied GHG Emission Factor of The self-owned vehicles gasoline consumption and diesel consumption of diesel generators of the Company is with reference to *How to prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs (May 2021)* issued by Hong Kong Stock Exchange.

[4]. Category 2 GHG emissions results from the generation of purchased electricity. The GHG Emission Factor of purchased electricity applied for the year 2020 is, as required by the Hong Kong Stock Exchange, in accordance with the National Grid Emission Factor issued by the Ministry of Ecology and Environment of the People's Republic of China (the "MEE") in 2019, while the GHG Emission Factor of purchased electricity applied for the year 2021 is in accordance with the National Grid Emission Factor issued by the MEE in 2022.

Social Performance

Number of Employees

Indicator	Unit	2020	2021
Total employees ¹	Person	3,575	5,734
By gender	Male	2,674	4,109
	Female	901	1,625
By employment type	Labor contract	3,440	5,679
	Other forms of employment ²	135	55
By age group ³	>50 years old	336	400
	30 to 50 years old	2,209	3,449
	<30 years old	895	1,830
By geographical region ⁴	Employees in Mainland China	3,161	4,741
	Employees in Hong Kong, Macau, and Taiwan as well as overseas	279	938

Note:

[1]. The Company expanded its production line and production capacity in 2021, and thus the total number of the Company's employees increased accordingly.

[2]. Other forms of employment for the Company include re-employment after retirement and labor outsourcing.

[3]. The number of employees in the Company by age group includes labor contract employees only.

[4]. The number of employees in the Company by region includes labor contract employees only.

Employment and Labour Practices Performance

Indicator		Unit	2020	2021
Times of penalties imposed for violations of employment and labor laws and regulations		Time	0	0
Total labor dispute incidents ¹		Incident	0	1
Employee turnover number		Person	-	1,769
By gender	Male	Person	-	1,274
	Female	Person	-	495
By employment type	Labor contract	Person	-	1,769
	Other forms of employment	Person	-	0
By age group	>50 years old	Person	-	78
	30 to 50 years old	Person	-	849
	<30 years old	Person	-	842
By geographical region region	Employees in Mainland China	Person	-	1,381
	Employees in Hong Kong, Macau, and Taiwan as well as overseas	Person	-	388
Employee turnover rate ²		%	-	30.85
By gender	Male	%	-	31.01
	Female	%	-	30.46
By employment type	Labor contract	%	-	31.15
	Other forms of employment	%	-	-
By age group	>50 years old	%	-	19.50
	30 to 50 years old	%	-	24.62
	<30 years old	%	-	46.01
By geographical region region	Employees in Mainland China	%	-	29.13
	Employees in Hong Kong, Macau, and Taiwan as well as overseas	%	-	41.36
Employee training investment		RMB 0,000	30.5	200
Employee training coverage		%	100	100
Male employee training coverage		%	100	100
Female employee training coverage		%	100	100
General employee training coverage		%	100	100
Mid-level employee training coverage		%	100	100

Indicator		Unit	2020	2021
Management employee training coverage		%	100	100
Average hours of training per employee per year for all employees ³		Hour	74.1	71.0
Average hours of training per male employee per year ⁴		Hour	79.3	54.7
Average hours of training per female employee per year ⁵		Hour	58.8	109.8
Training hours per general employee ⁶		Hour	85.1	74.0
Training hours per mid-level employee ⁶		Hour	26.6	25.0
Training hours per management employee ⁷		Hour	52.0	50.0
Safety education training coverage		%	100	100
Number of work-related fatalities		Person	0	0
Rate of work-related fatalities		%	0	0
Number of lost-days due to work injuries		Day	2,116	1,859

Note:

[1]. In 2021, the Company had 1 labor dispute over the dismissal of employees, which has been settled. Both parties have reached a settlement and unanimously confirmed that all matters arising from labor employment have been resolved, and they have fully understood, including but not limited to work, vacation, salary, social security, economic compensation, confidentiality, non-competition and other matters, and will no longer claim any responsibility between each other.

[2]. The employee turnover rate is calculated using this formula: Employee turnover rate = (Total number of retired and resigned employees) / (Total number of employees at the end of the period) × 100%.

[3][4][5][6] The data of training hours per capita for all employees, male employees, female employees, general employees, mid-level employees, and management employees includes daily pre-shift safety and quality training.

Supply Chain Performance

Indicator		Unit	2020	2021
Total number of suppliers		Supplier	943	1,262
By geographical region	Mainland China	Supplier	785	1,098
	Hong Kong, Macau, and Taiwan as well as overseas	Supplier	158	164

Product Responsibility Performance

Indicator	Unit	2020	2021
Percentage of total products sold or shipped that are subject to recall for safety and health reasons	%	0	0
Number of customer complaints due to product quality or service	Time	783	1,230
Complaint handling rate ¹	%	100	100
Capital investments in technological innovation and R&D	RMB 0,000	28,471	40,842
Number of R&D employees	Person	438	515
Cumulative number of patents granted	Patent	144	177
Number of patent applications	Patent	24	1
Number of patents granted	Patent	22	37

Note:

[1]. The complaint handling rate in this Report is calculated using this formula: Complaint handling rate = (Number of complaints handled) / (Number of complaints received) × 100%

Anti-corruption Performance

Indicator	Unit	2020	2021
Times of trainings related to anti-corruption	Time	0	1
Average anti-corruption training hours per capita of directors	Hour	-	2
Percentage of board members who have received anti-corruption training	%	-	100
Average anti-corruption training hours per capita of staff	Hour	-	0.06
Percentage of employees who have received anti-corruption training	%	-	3.04
Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period	Case	0	0

Community Investment Performance

Indicator	Unit	2020	2021
Number of staff participated in volunteering	person-time	-	70
Total hours contributed to volunteering by staff	hour	-	40
Total charity investments	RMB 0,000	337.15	149.71
Including charitable donations	RMB 0,000	337.15	149.71
Focus areas of contribution			
Culture and sport	RMB 0,000	-	0
Health	RMB 0,000	-	0
Environmental concerns	RMB 0,000	-	0
Education	RMB 0,000	-	100
Others ¹	RMB 0,000	-	49.71

Note:

[1]. The other area of the Company's charity investment is mainly charitable donations for flood relief.

Index of Reporting Standards

Index of Environmental, Social and Governance Reporting Guide of Hong Kong Stock Exchange

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Reporting Boundary	About This Report

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A1.1	Environmental Management System Key Quantitative Performance	B3.Development and Training	Empowering Employee Growth
A1.2	Key Quantitative Performance	B3.1	Key Quantitative Performance
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A3.The Environment and Natural Resources	Environmental Management System	B6.Product Responsibility	Compliance and Business Ethics Stringent Quality Control
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Index of Guidelines No. 1 for the Application of Self-regulatory Rules of Companies Listed on the Shanghai Stock Exchange — Standard Operation

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8.2		Expanding Global Reach through Sound Operation
8.3		Social Responsibility Management
8.4		Key Quantitative Performance Table
8.5		Comply
8.6: (1)	Development of social responsibility system	Responsibility Theme: Responding to Climate Change Expanding Global Reach through Sound Operation Customer First and Pursuit for Quality Excellence Building an Eco-friendly Enterprise through Green Operation Pooling Efforts for Fusion and Symbiosis
8.6: (2)	Deficiencies and problems in fulfilling social responsibility	Not involved
8.6: (3)	Improvement measures and specific time schedule	Not involved
8.7		Expanding Global Reach through Sound Operation Pooling Efforts for Fusion and Symbiosis
8.8: (1)	Compliance with laws and regulations on environmental protection and industry standards	Building an Eco-friendly Enterprise through Green Operation
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8.10: (1)	New, reconstructed and expanded construction projects or major investments	Building an Eco-friendly Enterprise Through Green Operation
8.10: (2)	Violation of laws and regulations on environmental issues and the punishment	Building an Eco-friendly Enterprise Through Green Operation
8.10: (3)	Major litigation on environmental issues or assets sealed up, frozen, seized, pledged or mortgaged	Not involved
8.10: (4)	Key pollutant discharge units	Building an Eco-friendly Enterprise Through Green Operation
8.10: (5)	Impact of newly promulgated laws and regulations on the Company	Not involved
8.10: (6)	Major events on environmental protection	Not involved
8.11		Building an Eco-friendly Enterprise Through Green Operation
8.12: (1)	Pollutant emission	Building an Eco-friendly Enterprise Through Green Operation
8.12: (2)	Construction and operation of environmental protection facilities	Building an Eco-friendly Enterprise Through Green Operation
8.12: (3)	Emergency plan for pollution accidents	Building an Eco-friendly Enterprise Through Green Operation
8.12: (4)	Measures on pollutant reduction	Building an Eco-friendly Enterprise Through Green Operation
8.13: (1)	Laws and regulations on product safety and industry standards	Customer First and Pursuit for Quality Excellence
8.13: (2)	Production environment and process	Customer First and Pursuit for Quality Excellence
8.13: (3)	Mechanism of the protection on product quality and safety and accident emergency plan	Customer First and Pursuit for Quality Excellence
8.13: (4)	Other responsibilities for production and product safety	Customer First and Pursuit for Quality Excellence
8.14: (1)	System of employee management and measures for violation handling	Pooling Efforts for Fusion and symbiosis
8.14: (2)	Prevention of occupational hazards and ancillary safety measures	Pooling Efforts for Fusion and symbiosis
8.14: (3)	Staff training	Pooling Efforts for Fusion and symbiosis
8.14: (4)	Other protection responsibilities for employees' rights and interests	Pooling Efforts for Fusion and symbiosis
8.15		comply



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