



2020

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

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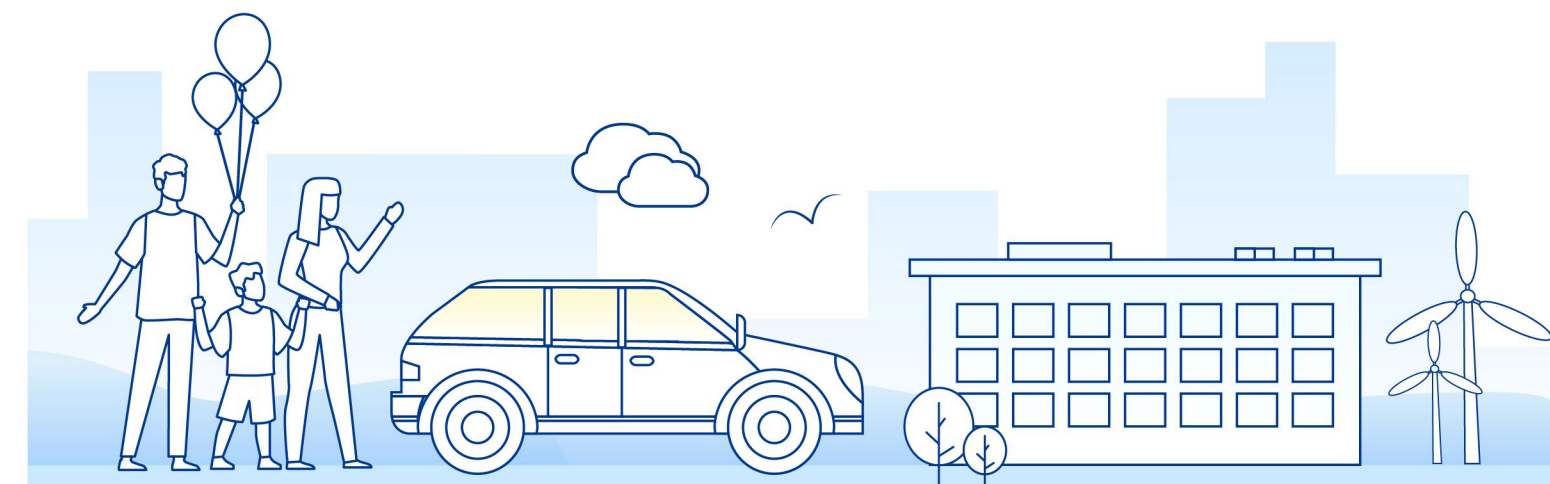
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## About this report

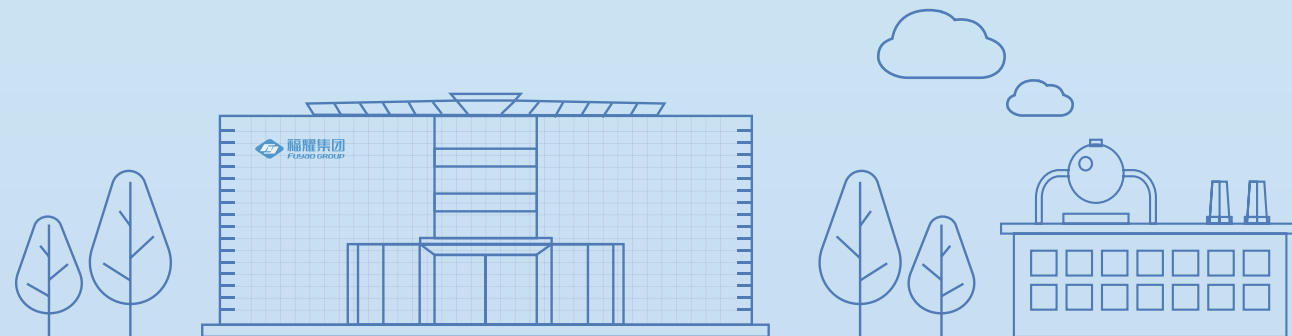
The report is the fifth ESG report publicly disclosed by Fuyao Glass Industry Group Co., Ltd. It aims to respond to the expectations of stakeholders and demonstrate Fuyao Group's concept, management, action and results in ESG and sustainability. The report is approved by the Board of Directors, to warrant that the content of this report does not contain any false representations, misleading statements or material omissions.

## Reporting scope

This report principally includes the principal domestic business of the Company and its major affiliates under operation control covering the period of January 1, 2020 to December 31, 2020. Some content can be traced back to past years or extend to FY2021.

## Definitions

For shorter form of expression, "Fuyao Group", "the Company", and "we" refer to Fuyao Glass Industry Group Co., Ltd. Unless otherwise defined, terms used in this report shall have the same meanings as those defined in the 2020 Company's Annual Report published on 30 March 2021. "1 yuan" in this report refer to "Renminbi 1 Yuan", unless otherwise stated.



## References

This report is written in accordance with the *Environmental, Social and Governance Reporting Guide* (the "ESG Reporting Guide") in Appendix 27 to the *Main Board Listing Rules* of Hong Kong Exchanges and Clearing Limited ("HKEx") as well as *GRI Sustainability Reporting Standard* ("GRI Standard") released by Global Sustainability Standard Board, *Guidance on Social Responsibility (GB/T 36000-2015)*, *Guidance on Social Responsibility Reporting (GB/T 36001-2015)*, *Guidance on Classifying Social Responsibility Performance (GB/T 36002-2015)* released by State Administration for Quality Supervision and Inspection and Quarantine and Standardization Administration of China, and *Guidance on Social Responsibility (ISO 26000)* released by International Standard Organization.

The Report has been compiled in accordance with the reporting principles of HKEx's ESG reporting Guide:

- "Materiality": The report discloses stakeholder's engagement and materiality assessment. Refer to "Stakeholder's engagement" and "Materiality assessment" in section "Responsibility management" for details.
- "Quantitative": The environmentally related data disclosed in the Report are marked with reference standards, calculation methods and parameters.
- "Consistency": The relevant disclosure and statistical methods of the Report are consistent with those used in prior years.

## Source of data

All information and data in this report are from formal documents, statistic reports and financial report, etc. of the Company and reviewed by relevant departments.

## Report availability

Both Chinese and English versions of this report can be viewed on the Company's official website at <http://www.fuyagroup.com>, the official website of cninfo <http://www.cninfo.com.cn/new/index> and Hong Kong Stock Exchange's official website at <http://www.hkexnews.hk>. In case of any conflict or inconsistency between the Chinese version and the English version, the Chinese version shall prevail.



## About Fuyao Group

### Company profile

Fuyao Glass Industry Group Co., Ltd. was incorporated in 1987. The Company outstripped its peer companies in listing on the main board of Shanghai Stock Exchange in June 1993 and commenced trading on the Stock Exchange of Hong Kong Limited (“HKEx”) in March 2015, for the purpose of expanding its presence in international market.

Since its inception, Fuyao Group has made progress towards self-perfection and maintained its inherent sense of mission: from “making automotive glass for Chinese consumers” to “setting standards for the automotive glass suppliers”, and to “benefiting the world”, plus a series of social welfare activities initiated by our Chairman. Fuyao Group upholds the core values of “diligence, simplicity, learning and innovation” and leverages technical and innovative culture and talents, so that it has systemically cultivated the sustainable competitive advantages and profitability for “Fuyao Group” to become a reliable company for customers, shareholders, employees, suppliers, government, distributors and the society in the long run.

The Company is principally engaged in providing total solutions of safety glass for various transportation vehicles, including the design, production, sales and services related to automotive grade float glass, automotive glass, locomotive glass, luggage racks and window decorations. The business model of the Company is globalized research and development, design, manufacture, distribution and after-sales services. Adhering to its brand development strategy of maintaining an industry-leading position in technology and quickly responding to market changes, the Company works with its customers on product design, manufacturing and rendering of services, focuses on improving business ecological chain and responds to the ever-changing demand of customers systematically, professionally and rapidly, thus creating value for its customers. Fuyao Group is an enterprise under green development model featuring strong sense of social responsibility safety, environmental protection, integrity and win-win cooperation.





## Annual operation

Fuyao Group has 56 enterprises, including 38 in China and 18 overseas, and now has established modern production bases in more than ten provinces and cities such as Tianjin, Shanghai, Chongqing, Guangdong, Fujian, Jilin, Hubei, Henan and Inner Mongolia, forming a whole set of production and sales network system that runs through all directions. The Company has also set up subsidiaries and business agencies in the US, Russia, Japan, South Korea, Germany and Hong Kong, China and other countries and regions. Now Fuyao Group has become the largest professional supplier of automotive glass in the world and offers global OEM supporting services and complete solutions for automotive glass to the top and major automotive manufacturers, including Bentley, Mercedes-Benz, BMW, Audi, General Motors, Toyota, Volkswagen, Ford, Chrysler, etc., that have certified and selected the Company's products and rated it as a "Global Excellent Supplier".

Fuyao Group's global layout



- D&R design
- Business agency
- Float glass
- Automotive glass
- Automotive decoration
- Aluminium refining
- Mine
- Equipments, molds and fixtures

Fuyao Group's layout in China



- D&R design
- Business agency
- Float glass
- Automotive glass
- Automotive decoration
- Mine
- Aluminium refining
- Equipments, molds and fixtures

Revenue (billion yuan) <b>19.907</b>	Profit (billion yuan) <b>3.110</b>	Annual profit attributable to equity shareholders of the Company (billion yuan) <b>2.601</b>
Basic earning per share <b>1.04</b> yuan	Paid taxes (billion yuan) <b>1.833</b>	Social Contribution per share <b>3.50</b> yuan



# ESG performance highlight in 2020

## ESG performance highlight

### Adhering to integrity operation and becoming a world-renowned brand

- **100%** coverage of business ethics-related trainings
- Business ethics audits or risk assessments launched by **5** operating locations
- No cases of corruption lawsuits

### Prioritizing quality and becoming a loyal partner to our global customers

- No product recalls due to health and safety issues
- **100%** of settlement rate of problems on product quality information
- **331** patents applied and **233** patents granted

### Upholding human-orientation and becoming a trusted employer

- Over **80%** of safety system certification among subsidiaries
- **100%** of locations for health and safety risk assessment for employees

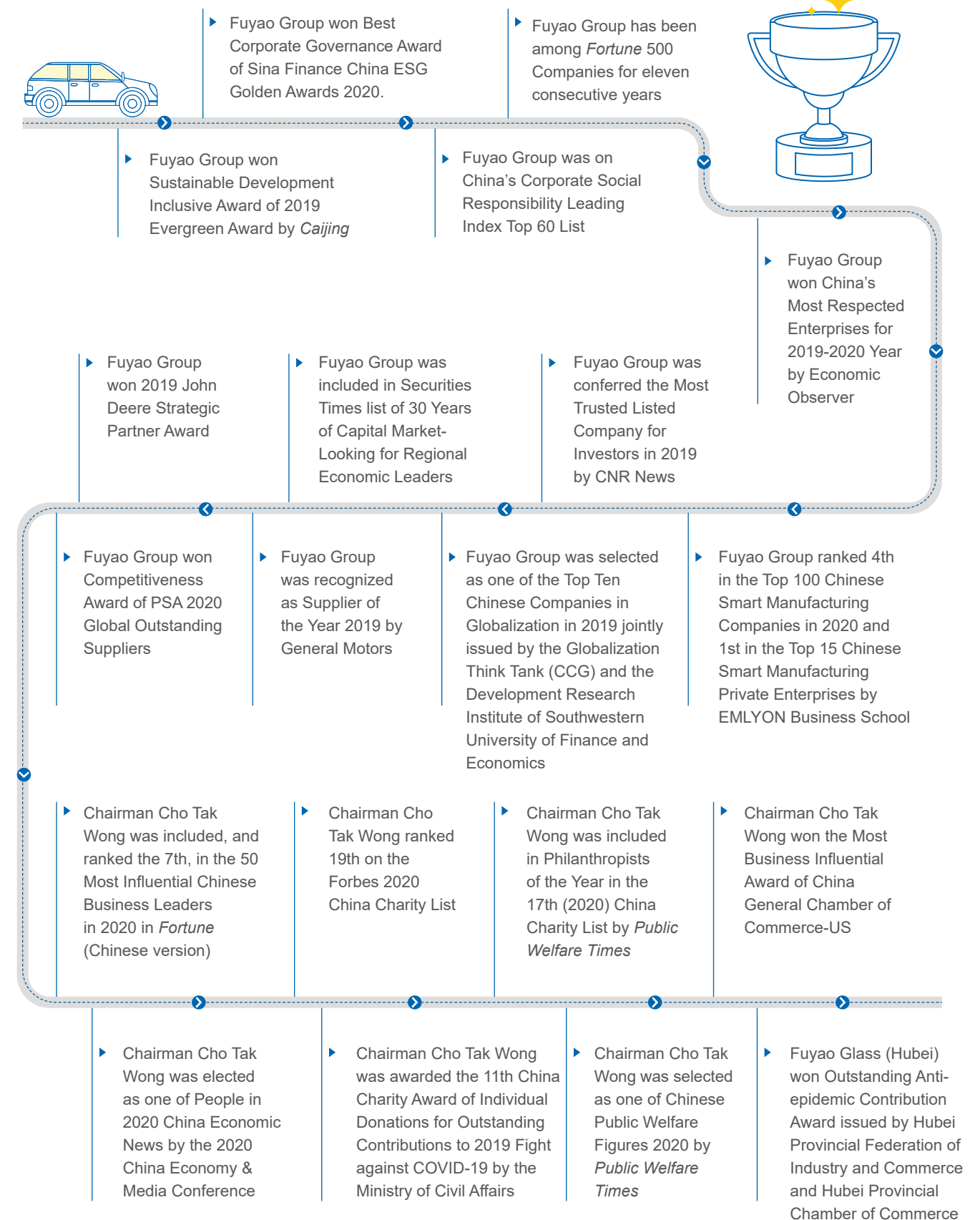
### Going green and becoming a safeguard of global ecological environment

- 2020 CDP climate change questionnaires A-
- The National Green Factory Certification
- **100%** of compliance disposal rate of wastes
- Shenyang Fuyao Photovoltaic Power Generation Project (new), estimated to generate **6 million** kWh of power per year upon putting into production, equivalent to saving **2,400** tons of standard coal and reducing **5,982** tons of carbon dioxide emissions

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

- Over **70%** of suppliers sign the Green Procurement Charter
- Over **50%** of the completion rate of on-site audit on social responsibility questionnaire
- **100%** of our suppliers filled in and responded to the CMRT questionnaire
- RMB **1.55** billion of total donation by Chairman Cho Tak Wong
- Over RMB **16 billion** of donation by Heren Charitable Foundation in public welfare undertakings

## Company honor





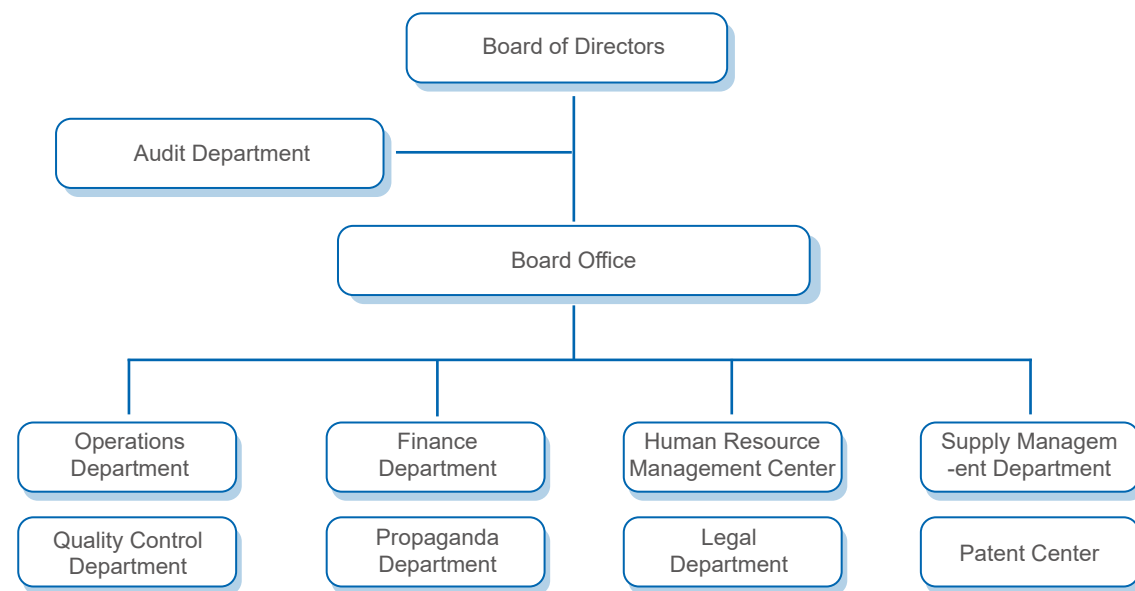
# Responsibility management

Embracing the social responsibility concept of "A better Fuyao, a better world" and upholding the vision of "making automotive glass for Chinese consumers" since the establishment, Fuyao Group actively practices the core values of "diligence, simplicity, learning and innovation", for the goal of "becoming the most competitive automotive glass supplier in the world". Based on its own expansion and development, improved corporate governance and lifted product quality, Fuyao Group continued to put people first and promised to protect the environment, zealously participated in public welfare undertakings, unifying the Company's economic benefits and social benefits and harmonizing the development of the Company and of the society.

## ESG management

Fuyao Group believes that sound ESG management helps us integrate sustainable development into our long-term goals and create a socially recognized and respected agency that contributes to customers, enterprises, industries, employees and society through self-development.

The Board of Directors (the "Board") is the highest decision-making body for ESG management. It is responsible for studying and formulating ESG strategies and policies, accessing and determining ESG risks. It is responsible for and ensuring the establishment of appropriate and effective ESG risk management and internal control systems. It determines the scope of ESG reports, and prepares planning and measures, reviews related policies involving the environment and sustainable development. It supervises, inspects, and evaluates the implementation of the *ESG Reporting Guide* for the entire company.



Fuyao established Fuyao ESG working group, headed by the leader of the Board Office as the person in charge, and composed of leaders of Operation Department, Finance Department, Human Resource Management Center, Supply Management Department, Quality Control Department, Audit Department, Propaganda Department, Legal Department and Patent Center.

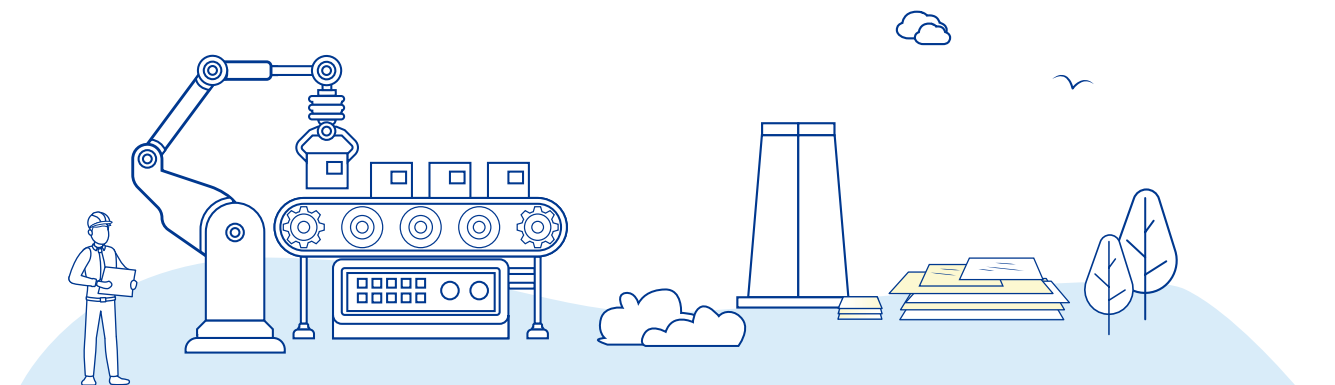
The senior management is responsible for implementing the strategy and various goals and measures of the Company's ESG report approved by the Board. The main responsibilities include:

1. Formulating various business strategies and programs that can increase returns for stakeholders;
2. Formulating relevant measures for compliance operation and product quality improvement;
3. Formulating measures to care for employees and protect their development rights;
4. Regularly reporting to the Board on the implementation of the Company's ESG, and providing the Board with confirmation of the effectiveness of the system.

The Board Office is the leading department for ESG report. Its main responsibilities include:








1. Organizing relevant departments to carry out ESG reporting and maintain close communication with each unit;
2. Decomposing each indicator into each functional department and designating the manager and responsible person of each functional department according to the compliance requirements;
3. Organizing each functional department to regularly report the information and data required by the ESG Report, and preparing the Company's annual ESG report;
4. Managing and coordinating with external service agencies for the ESG report, and carrying out communications, consultation, and training related to the ESG report;
5. Regularly reporting to senior management on the Company's ESG performance;
6. Handing in the Company's annual ESG report to the Board of Directors for approval, and being responsible for the disclosure and publicity of the report.

In 2020, we formulated the *Fuyao Group Social Responsibility Code of Conduct*, which proposes policies and codes for all aspects of ESG management, including labor rights, health and safety, environmental protection, business ethics, and management systems, to improve employees' awareness of ESG and truly integrate ESG concept into our core ideas and values. The code applies to Fuyao Group and all its subsidiaries, and suppliers who provide us with products, materials or services; it applies to all employees, including temporary workers, apprentices, intern students, contract workers and other types of staff.



## Stakeholders engagement

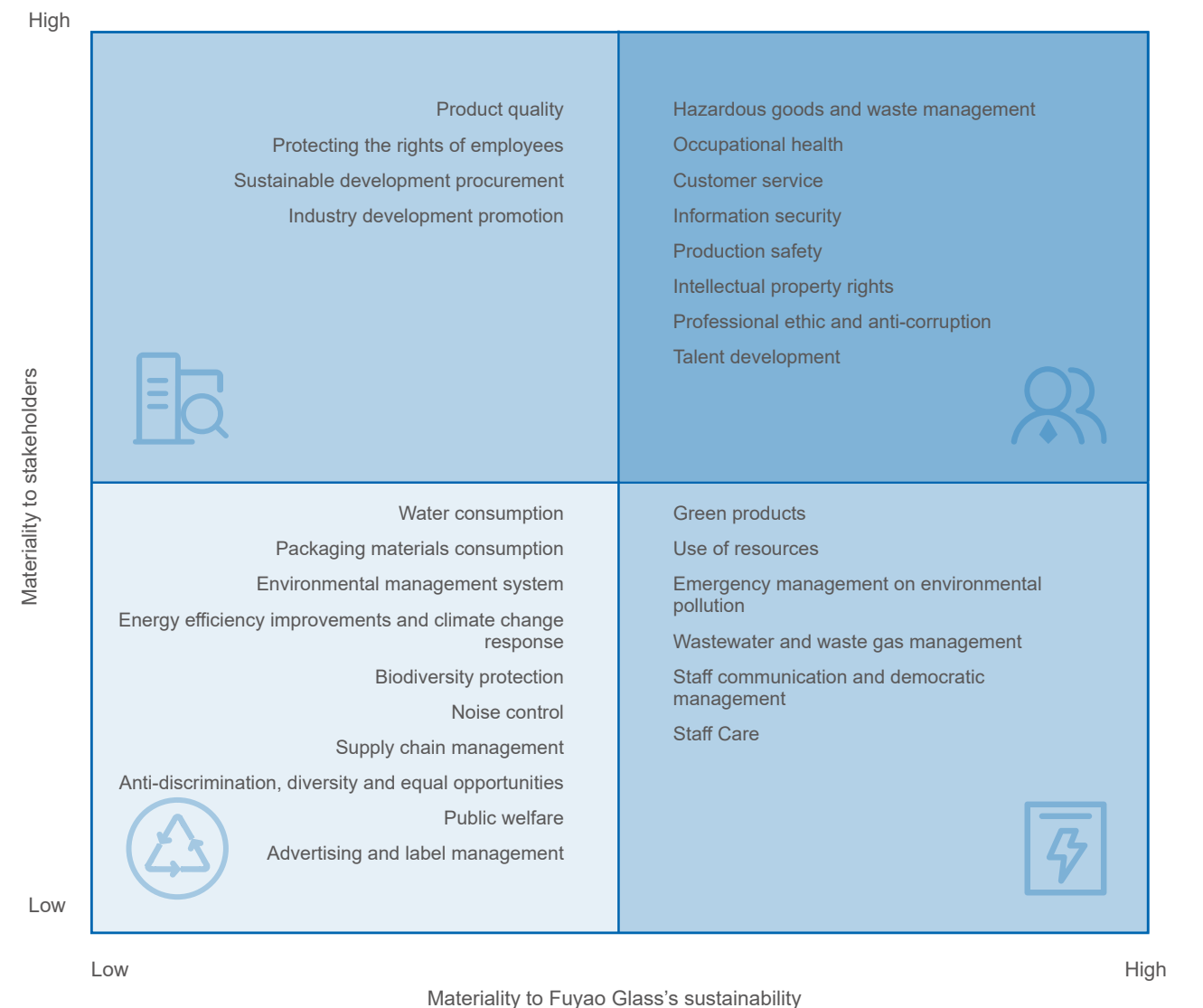
We pay attention to the demands of stakeholders and communicate with them through a variety of channels. Based on the Company's characteristics and development and industry trends, we've identified stakeholders including shareholders and investors, government and regulators, employees, partners, customers, community representatives, industry associations, suppliers, and the media. We actively established communication mechanisms with the above-mentioned stakeholders, and listen, and respond promptly, to their suggestions.

Stakeholder's identification	Stakeholder's expectations	The Company's communication channels
 Government/Regulators	<ul style="list-style-type: none"> <li>Professional ethic and anti-corruption</li> <li>Environmental compliance issues</li> <li>Intellectual property rights</li> <li>Law compliance</li> <li>Legal tax payment</li> </ul>	<ul style="list-style-type: none"> <li>Government conference</li> <li>Supervision and inspection</li> <li>Daily management</li> </ul>
 Shareholders/Investors	<ul style="list-style-type: none"> <li>Shareholder return</li> <li>Information disclosure</li> <li>Investor relationship</li> <li>Corporate governance</li> <li>Risk control and mitigation</li> </ul>	<ul style="list-style-type: none"> <li>General meetings of shareholders</li> <li>Information disclosure</li> <li>Activities of investor relationship</li> </ul>
 Customer	<ul style="list-style-type: none"> <li>Product quality</li> <li>Customer service</li> <li>Consumer rights protection</li> </ul>	<ul style="list-style-type: none"> <li>Customer research</li> <li>Customer service hotline</li> <li>Product quality management</li> <li>Customer satisfaction survey</li> </ul>
 Employee	<ul style="list-style-type: none"> <li>Talent development</li> <li>Anti-discrimination, diversity and equal opportunities</li> <li>Occupational health</li> <li>Production safety</li> <li>Staff care</li> <li>Staff communication and democratic management</li> </ul>	<ul style="list-style-type: none"> <li>Compensation system</li> <li>Staff care</li> <li>Democratic management</li> <li>Staff training</li> <li>Staff communication</li> <li>Internal publication</li> </ul>
 Partners/Suppliers	<ul style="list-style-type: none"> <li>Responsible procurement</li> <li>Win-win development</li> </ul>	<ul style="list-style-type: none"> <li>Supplier chain management system</li> <li>Supplier conference</li> </ul>
 Society	<ul style="list-style-type: none"> <li>Public welfare</li> <li>Urban development</li> <li>Community harmony</li> </ul>	<ul style="list-style-type: none"> <li>Community public welfare activities</li> <li>Create jobs</li> <li>Community construction</li> <li>Care for elder and children</li> </ul>
 Environment	<ul style="list-style-type: none"> <li>Environmental compliance</li> <li>Environment protection</li> <li>Ecological balance</li> </ul>	<ul style="list-style-type: none"> <li>Emission management</li> <li>Resource reduction</li> </ul>

## Materiality assessment

In 2020, we conducted an online questionnaire investigation for stakeholder to assess their attention to various issues, to help us better identify Fuyao Group's material issues. We identified 28 ESG-related issues in total, and understood stakeholders' demands on our ESG work through questionnaires. We have obtained a matrix of material issues after comprehensive analysis, including 8 highly material ESG-related issues, and disclosed them in detail in this report.

Materiality matrix in 2020





# Adhering to integrity operation

becoming a world-renowned brand

Fuyao Group continues to improve its governance level, by establishing a complete governance structure and strengthening internal control systems and risk controls, and continuously adheres to integrity operation to eliminate corruption and frauds, laying the foundation for the goal of one of world-class enterprises.

- Improving governance structure
- Strengthening risk control
- Adhering to integrity operation

01 PART ONE



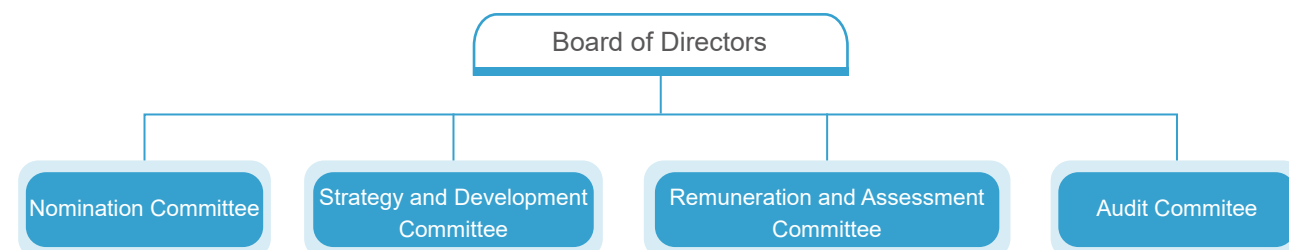


## Improving governance structure

For the best interests of the Company and its stakeholders, and in compliance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Rules for Governance of Listed Companies* and the requirements of China Securities Regulatory Commission (CSRC), Shanghai Stock Exchange (SSE) and HKEx, Fuyao Group continuously improves the corporate governance structure, standardizes the Company's operation and strengthens the information management and information disclosure. In accordance with legal provisions and institutional requirements, the Company constantly standardized the corporate management mechanism in issues such as shareholders and general meeting, relations between the controlling shareholders and the listed companies, directors and the Board of Directors, supervisors and the Board of Supervisors, etc.

The Company's Board of Directors has established four committees, the Strategy and Development Committee, the Audit Committee, the Nomination Committee, and the Remuneration and Assessment Committee, to promote the development of the Company and the corporate governance structure. The committees carry out relevant work in accordance with laws and regulations and the *Articles of Association*, have the authority granted, and perform the duties assigned, by the Board of Directors.

Fuyao Group's governance structure



## Strengthening risk control

The Company establishes and improves the internal management system, including the provisions such as the *Internal Control Policy*, to enhance its internal control and management capacities and risk prevention capabilities; formulates the *Internal Audit Policy*, the *Professional Code of Ethics for Internal Auditors* and the *Internal Audit Engagement Management System* to ensure that internal audit work is carried out independently, objectively, impartially, and comprehensively, and promote organizational management; establishes the *List of Key Internal Control Risks* to identify various risks in the processes of the Company's operation, such as macroeconomic risks and risks in strategy making, ethics/integrity risks, legal risks in contracts, etc. The Company also carries out internal evaluation in accordance with the *Basic Rules for Corporate Internal Control*, to timely discover and remedy possible deficiencies at all levels of the Company and strengthen internal control construction.

In 2020, the Company evaluated the design, rationality and operational effectiveness of the internal control around 17 processes such as internal environment, information transfer, human resources, procurement management, inventory and cost management, etc. in accordance with the *Basic Rules for Corporate Internal Control* and its supporting guidelines, and ensured that the Company's internal control has covered the main aspects in operation and management, and that major omissions have been avoided. The internal control evaluation covers the Company and its subsidiaries that accounts for 84% of the total assets, focuses on high-risk areas, key business units and significant risk points that affect the realization of the Company's goals, and objectively evaluates and truthfully reflects the deficiencies in internal control. The internal control evaluation is carried out by means of 100% self-evaluation of subsidiaries through questionnaires, individual interviews, walkthrough tests, sampling inspections, etc. The questions investigated involve the operation of the *Internal Control Handbook*, whether the problems raised in prior audits have been rectified, whether reasonable and detailed control targets have been set for risks, etc. The Company puts great premium on the existing deficiencies detected in the internal control evaluation and makes positive rectifications, so that they have been comprehensively improved. In 2020, the Audit Department mainly improved the evaluation mechanism for the effective operation of the Company's internal control, upgraded the internal control specification handbooks, and strengthened the supervision on the Company's implementation of the training content of the *Internal Control Management Handbook*.



## Adhering to integrity operation

Fuyao Group stays true to the management philosophy of “human-orientation and integrity”, the brand strategy of “moral standing, product, quality and taste” and the team concept of “unity efficiency, cleanness, fairness”. In 2020, Fuyao Group continued to steadily promote the construction of the clean and upright corporate culture, strengthened anti-corruption education and publicity, smoothed the feedback channels for frauds and corruption, and leveraged on the supervisory role of all employees of the Company, to create a highly-disciplined, upright and positive corporate atmosphere.

### Improving anti-corruption system

Fuyao Group has established a series of rules and regulations that regulate employees' behaviors and prevent external agencies from affecting the Company's interests, including professional ethics, anti-fraud, interest conflict and gift management. In terms of professional ethics, Fuyao Group has internally formulated the *Employee Code of Conduct*, the *Integrity and Discipline Management Regulations* and the *Professional Code of Ethics for Internal Auditors* to require employees to follow professional ethics, to strictly prohibit them from obtaining benefits through unethical means and to ensure the independent, objective and fair conduct of audit work. Externally, suppliers are required to sign the *Law Compliance Commitment*, promising that they will not grant benefits to relevant staff of Fuyao Group in any form for convenience. If bribery is found between suppliers and the employees of the Company, Fuyao Group has the right to terminate the business relationship between the two parties and charge fees for breach. In terms of anti-fraud, the Company has formulated the *Anti-fraud Management System* that prohibits nine types of fraud such as accepting bribes, concealing, and misstating transactions, etc. to prevent the behaviors that harm the interests of the Company and shareholders. In terms of interest conflict, the Company has formulated the *Interest Conflict Management System* and the *Personnel Avoidance System*, regulating that employees should consciously avoid matters in which personal interest conflicts with the Company's interest, to improve the awareness of anti-fraud and anti-corruption. In terms of gift management, the Company has established the *Gift Acceptance Registration List* to clarify the sources, content and recipients of the gifts, to eliminate possible bribery in the process.

## Establishing anti-corruption awareness

Fuyao Group has stepped up its publicity efforts in anti-corruption to promote the clean and upright corporate culture. The Company regularly conducts cleanness publicity and inspections on employees, such as mandatory rotation requirements for positions with potential significant risks. On important Chinese festivals such as the Mid-Autumn Festival and the National Day, Fuyao Group issued to all the Group's departments, subgroups, and subsidiaries, the *Notice on Strengthening Cleanness and Discipline Work during 2020 Mid-Autumn Festival and National Day*, to emphasize the anti-corruption education and supervision on management cadres and employees in key positions. It also issued the *Employee Code of Conduct* and the *Provisions on Disciplinary Measures for Employees* and set up corresponding whistle-blower hotline and mailbox to encourage employees at all levels to supervise and report violations, to eliminate corrupt behaviors such as accepting bribes and participating in high-consumption entertainment on the grounds of holiday celebrations and normal human relations during the period. Fuyao Group has also launched anti-corruption promotion week activities to promote the integrity and cleanness in work. In 2020, in anti-corruption, the Company conducted the 100% coverage of business ethics-related trainings. There have been no cases of corruption lawsuits.

### Smoothing feedback channels

The Company puts great premium on and seriously handles internal complaints relating to cleanness management, credit management or other actions that affect integrity operation. The employees can make complaints about actions in violation of the Company's integrity operation through the whistleblower hotline 0591-85363456 or the e-mail GM@fuyao.com. The Company's Board of Directors authorizes the independent Internal Audit Department to accept and handle reporting of misconduct and report to management and the Board of Director on investigation results. The Company keeps informants' information in confidence and has formulated mechanism to protect and encourage whistleblowers.



# Prioritizing quality

## becoming a loyal partner to our global customers

Fuyao Group focuses on the construction of internal quality management systems, the establishment of prevention and emergency mechanisms, and the training of quality talents to consolidate product quality comprehensively. The Company stays true to the customer-centric service ethos, and continuously improves the quality and efficiency of customer services and protects the privacy of users. Fuyao Group actively innovates research and development, strengthens intellectual property rights protection, and provides customers with compliant and innovative products.

- Consolidating quality management
- Optimizing customer services
- Innovating product development
- Regulating intellectual property rights management

02 PART  
TWO





## Consolidating quality management

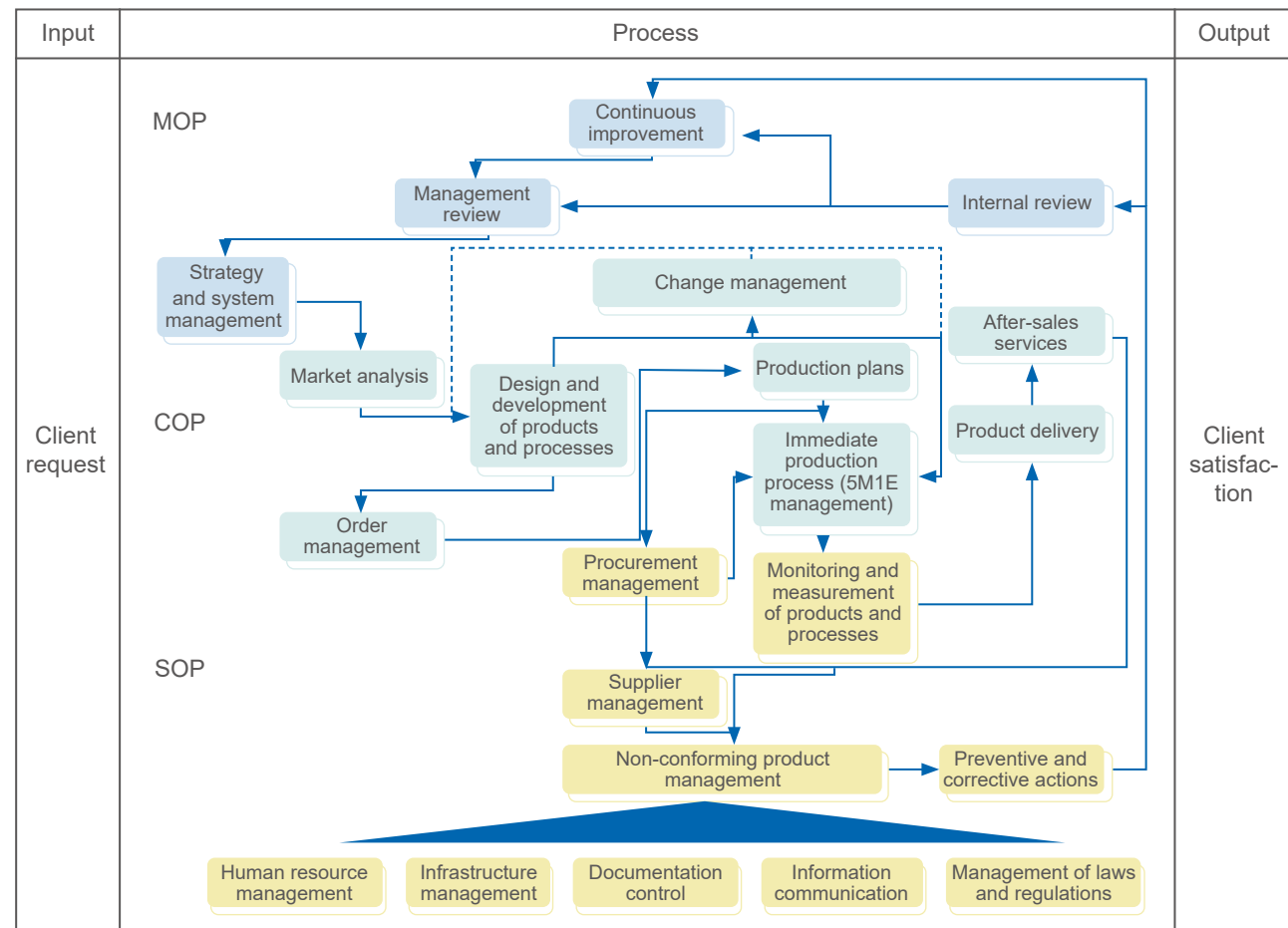
Fuyao Group has always adhered to the quality policy of “taking product quality as the core of the brand, the foundation for development, and the foundation for the survival of the corporate” and promised “zero tolerance for product quality”. The Company motivates and trains all employees to participate in the product quality assurance process based on complete quality management system and review mechanism and adheres to the continuous improvement and the certification of standard systems based on advanced technology and scientific management, to comprehensively consolidate the foundation of product quality. As at December 31, 2020, the Company has not recalled any products due to health and safety issues.

## Quality management system

Fuyao Group strictly complies with laws and regulations including the *Product Quality Law of the People's Republic of China*, and Fuqing Float Glass Co., Ltd has formulated the *Quality Management Handbook* and its supporting procedure documents, work instructions, checklists, etc., to effectively guarantee the product quality of flat glass in the whole manufacturing process according to the standards of ISO9001 (2015) or IATF16949 (2016).

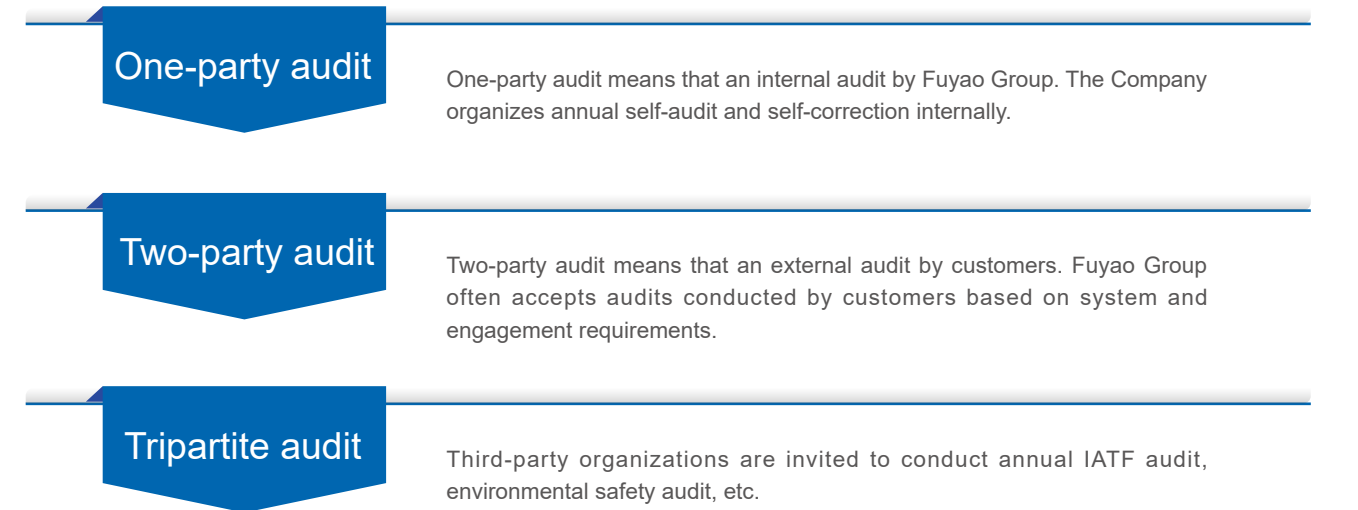
In order to ensure product quality and safety, Fuyao Group has formulated standards for quality system workflow stricter than national and industrial criteria according to the IATF 16949, ISO 14001, and ISO 45001 systems and the Company's strategies as well as standards of its customers from multiple countries, to provide safe and high-quality products for end consumers.

Standard quality system workflow



## Quality management review

Fuyao Group has established a “tripartite audit” mechanism to ensure product quality and safety at all levels through the “three lines of defense” quality management system audit mechanism.



In 2020, Fuyao Automotive Glass Co., Ltd conducted unannounced inspections on 7 subsidiaries in Changchun, Shenyang, Chongqing, Suzhou, Shanghai, Tianjin, and Xiamen and inspected the authenticity, compliance and effectiveness of the quality work. All departments formulated rectification measures for unannounced inspections, continuously improve the quality management system, and ensure product quality.

Fuyao Group carries out "Fuyao Quality Award" in all subsidiaries of the Group annually, aiming at selecting employees who have made great contributions to quality management activities, to call for greater emphasis on product quality management at the subsidiary level. Fuyao Automotive Glass conducts quality exchange meetings of subsidiaries monthly, covering quality information reporting, listing of problems, finding the causes and responsible personnel for the problems and urging the responsible departments to follow up and improve. Excellent quality cases are shared at the quality exchange meeting, and the experience of improving quality and efficiency is delivered to more employees, to promote the innovation of the Company's product quality work.



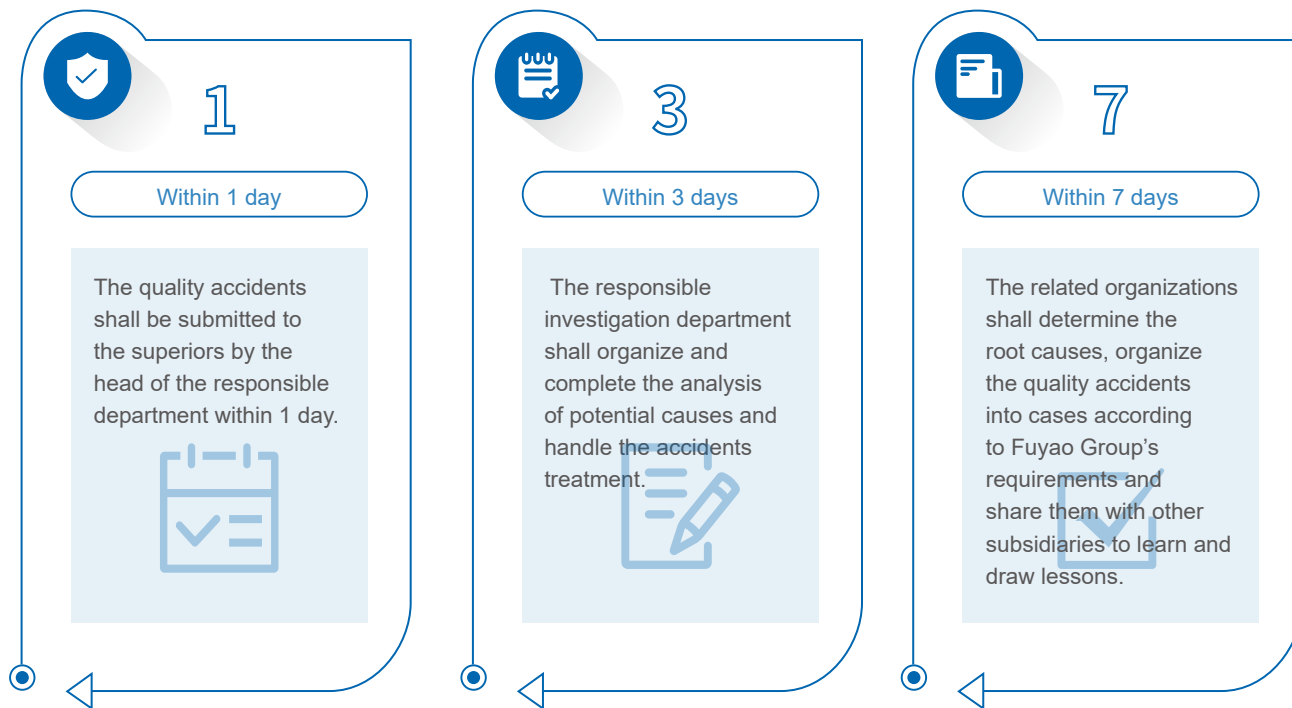
## Quality accident handling

Fuyao Group has formulated the internal rules and regulations of the *Regulations on Quality Accident Prevention and Accountability Management*, to promote the performance of duties at all levels and posts and prevent major work quality accidents and product quality accidents.

In the accident prevention stage, the Company annually re-reviews various rules and regulations, system documents, and internal control handbooks. Major defects will be updated in time and then reissued if they are found. All functional departments and subsidiaries of Fuyao Group carry out training and learning according to the above-mentioned system documents in combination with the quality accidents that have occurred over the years, for the prevention of problems. The Company also rewards employees who discover accident risks in time and take measures according to the *Employee Reward and Punishment Measures*, to encourage them to actively participate in quality accident prevention.

In the accident handling stage, the Company strictly follows the “1-3-7 principle” of the time limit for handling quality accidents. According to the severity of quality accidents (general quality accidents, serious quality accidents and major quality accidents), the quality manager or general manager of the subsidiary shall implement the “upgrade mechanism”, upgrade feedback to the group level in time, and carry out quality accident investigation.

### 1-3-7 Principle



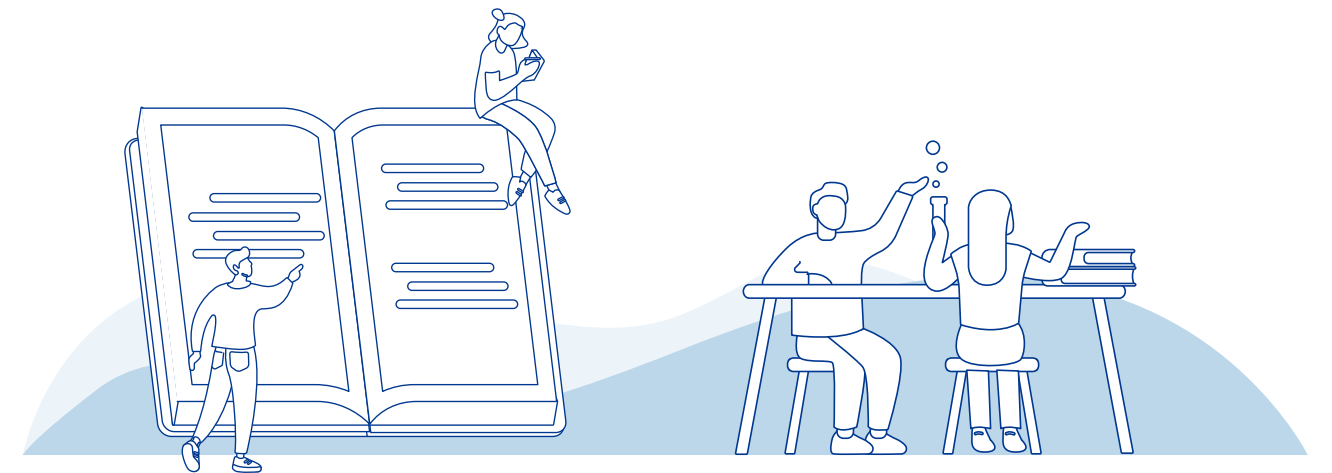
In the accident accountability stage, according to the relevant provisions of the *Employee Reward and Punishment Measures*, the head of the investigation department will communicate effectively with the head of the responsible department on accountability work and then report it to the general manager for approval before implementation. The head of the responsible department communicates and educates the responsible personnel well. The accident investigation department of the subsidiary files quality accidents and organizes them into shared case templates to organize learning at the Company level to effectively prevent similar accidents.



## Ensuring quality talents

Fuyao Group puts great premium on the training of quality talents and formulates corresponding training plans for employees at different levels. The China-EU online training is carried out for quality management cadres of section chief and above, covering two modules of management skills and professional knowledge, and the “assessment score≥80” is taken as the necessary condition for promotion to facilitate the translation of training in the future quality work.

For the quality (QE) personnel of Fuyao Automotive Glass, the Company has formulated the QE personnel training mechanism and an effective QE successor plan for key customers to sustainably support QE talents for the Company. The Company adopts various modes, such as on-site tutoring by internal tutors, online training, offline teaching by external teachers, etc., provides basic quality training, post professional skills training and hands-on training. After the training, trainees will be scored and comprehensively evaluated according to the post qualification evaluation standards. Fuyao Automotive Glass also conducts grade adjustments and salary adjustments to key trainees who have been promoted and have received a good comprehensive evaluation, to motivate more employees to improve their qualities in terms of quality.



## Optimizing customer services

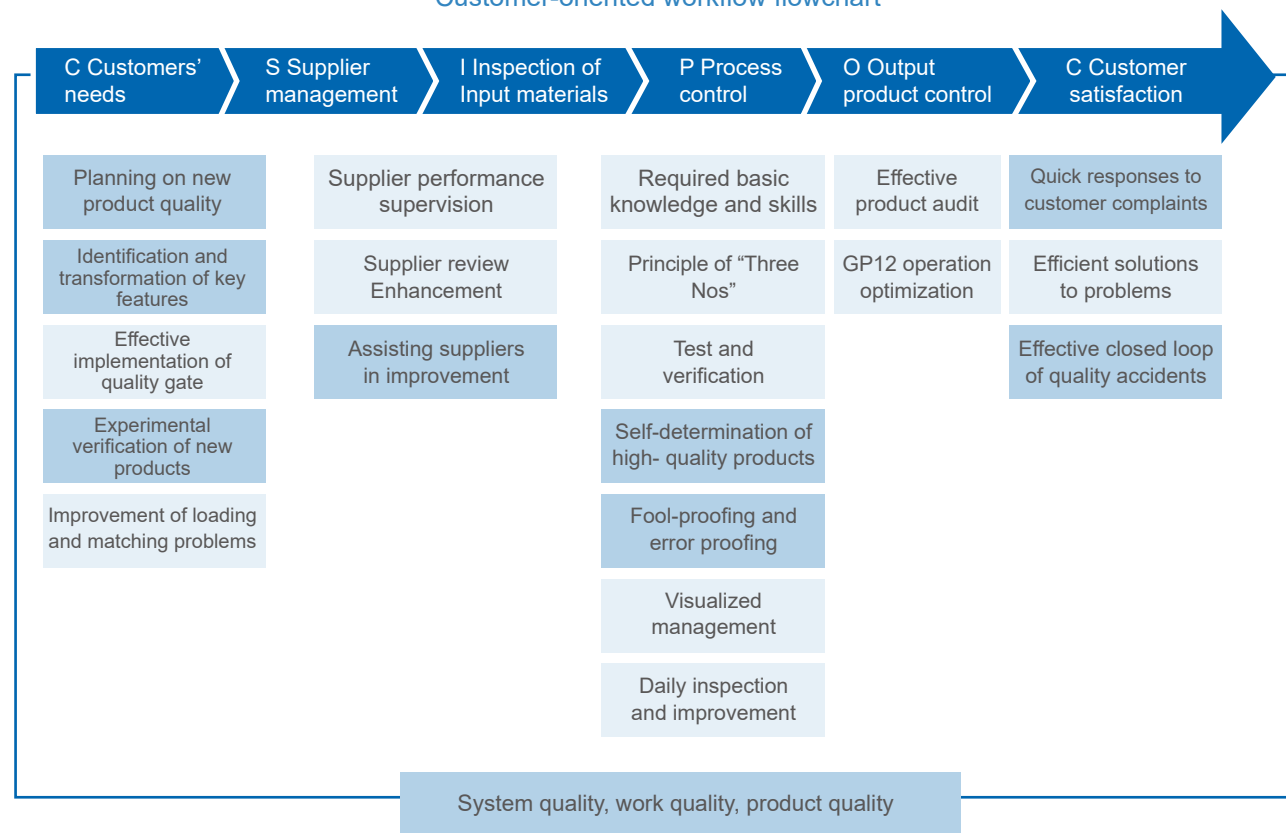
In order to become a loyal partner to our global customers and meet clients' needs, Fuyao Group has established a perfect customer service system to optimize customer complaint handling mechanism, protect customer information security, and continuously improve customer satisfaction.



### Improving service quality

Fuyao Group adheres to customer orientation and guarantees system quality, work quality and product quality. It has covered the entire life cycle of products in all processes, through the planning on new product quality, supplier performance supervision, in-process quality verification and control, output product quality audit and effective closed loop of quality accidents, thus winning customer satisfaction.

Customer-oriented workflow flowchart



Fuyao Group has set up the mailbox for quality (fyqm@fuyaoigroup.com) to ensure that the problems of consumers and customers are positively solved by the Company within 24 hours.

Fuyao Automotive Glass collects product quality information from OEM customers and sales business monthly, to learn about the needs of customers in time. In 2020, Fuyao Automotive Glass has settled 100% collected problems.

2020年，福耀汽玻收集問題結案率

**100%**

## Optimizing customer complaints

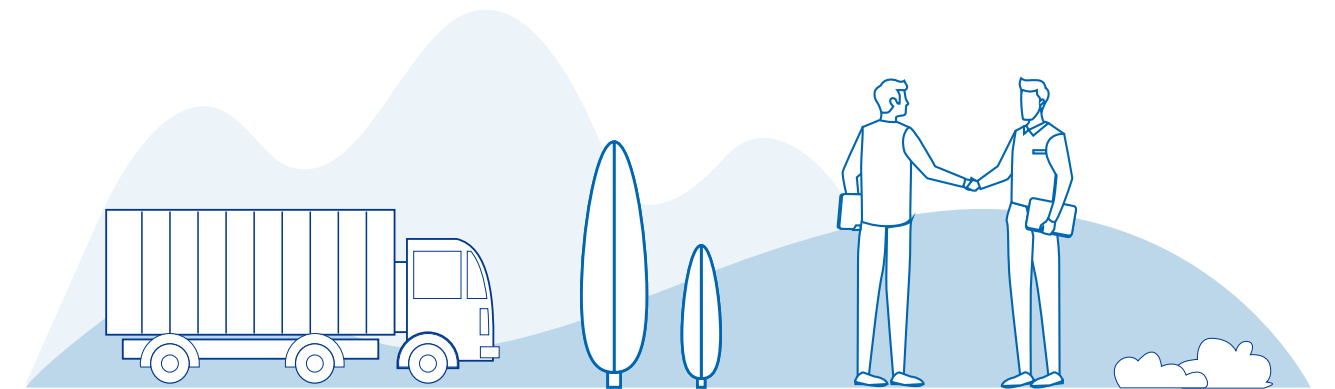
Fuyao Group has formulated relevant provisions such as the *Provisions for Customer Complaints* according to laws and regulations including the *Law of the People's Republic of China on Protection of Consumer Rights and Interests*. Sound after-sale services, quality information feedback procedures and customer complaints management framework have also been set up, based on the whole chain of "problem determination-containment measures-cause analysis and countermeasures-consideration, sharing, prevention and promotion". The 8D<sup>1</sup> and 5W1H<sup>2</sup> modes are adopted to promote customer service complaints and ensure the customer complaints are quickly communicated and timely solved within relevant departments.

## Protecting information security

Focusing on the privacy of customers and the confidentiality of information, in accordance with applicable national laws and regulations such as the *Cybersecurity Law of the People's Republic of China*, Fuyao Group has formulated rules and regulations such as the *Information Security Management Regulations* and the *Information System Operation and Maintenance Management Regulations*, and trains employees on technical prevention and control and information security protection. In 2020, there was no incidents of customer privacy leakage in Fuyao Group.

In terms of technical deployment, Fuyao Group has applied situation awareness system since 2019, which makes analysis and forecasts on, and fully detects, security vulnerabilities in the network in real time, based on the network traffic and other conditions. The third-party system provider regularly scans and inspects security vulnerabilities four times a year, and the final inspection results will be reported to the heads of departments in the form of reports.

In terms of employee training, Fuyao Group conducts both online and offline special training on information security protection for all employees and invites the third party organizations, such as the ISO27001, to conduct information security risk assessment training and information security training for internal auditors, and the information security awareness training that focuses on the awareness of privacy and trade secret protection.



<sup>1</sup> 8 Disciplines includes eight steps: D1. Form the Team; D2. Describe the Problem; D3. Contain the Problem; D4. Identify the Root Cause; D5. Formulate and Verify Corrective Actions; D6. Correct the Problem and Confirm the Effects; D7. Prevent the Problem; D8. Congratulate the Team.

<sup>2</sup> Six aspects of analysis method: Ask questions and think about them from six aspects, including Why, What, Where, When, Who and How.



## Innovating product development

In recent years, Fuyao Group has continuously introduced a variety of intelligent automotive glass technology products, expanding the reaches of "a piece of glass" with innovative research and development capabilities. The Company continued to highly invest in and carry out the research and development of new technology products for improvements in the aspects of "safety, comfort, energy saving, environmental protection, aesthetic appearance and intelligent integration", and strengthened the research on the trend of glass intelligent integration, to provide customers with more future-oriented automotive window solutions. Our automotive glass products cover many technologies such as panorama, thermal insulation, acoustic insulation, Head-up Display (HUD), etc. and diversified intelligent automotive glass technology products such as dimming glass, photovoltaic sunroof glass and HUD glass have been introduced.

### Case Smart Dimming glass

The light transmittance of dimming glass can be adjusted to achieve excellent privacy protection without installing sunshades, as the state of inner dimmable film is electrically controlled. Smart dimming electronic glass is also a very excellent projection hard screen with clear and outstanding projection imaging effects. It also has similar advantages of the safety glass, including high anti-strike strength and safety performance of preventing debris from splashing after rupture. More importantly, the dimming film and film in the middle of dimming electronic glass is thermally insulated, shielding more than 99% of ultraviolet rays and more than 98% of infrared rays, and reducing heat radiation and protect people from related diseases.

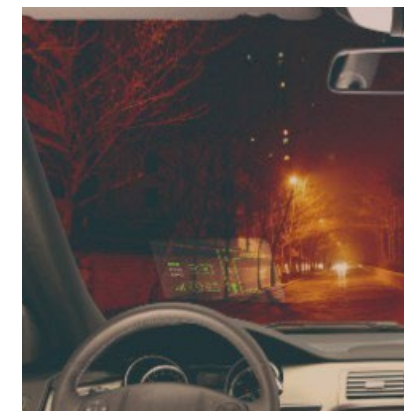
On June 1, 2020, BOE and Fuyao Group signed the Strategic Cooperation Agreement, to carry out strategic cooperation in the fields of automobile dimming glass and window display, combining their respective industrial resources and technological advantages, to jointly explore the market and achieve mutual benefits and a win-win result.



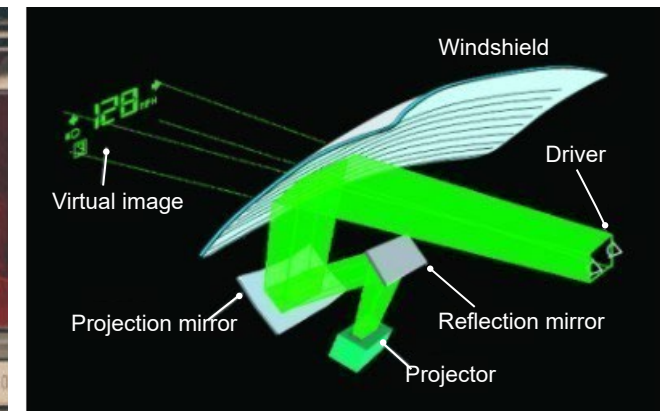
Fuyao Group's smart dimming glass

### Case HUD glass

The combination of transparent nanofilm deposited on the front of the interlayer and polarized light weakens the reflection of secondary image and enhances the reflection of primary image to improve the luminance ratio between the two and avoid visual ghosting. While driving, a driver can get the vehicle information without looking down at lower instruments. Thus, he concentrates on road conditions which allows more timely response in unexpected situations and is offered rich driving experience such as GPS navigation and image display via the optical system of vehicles.



HUD imaging effect



HUD principle

## Regulating intellectual property rights management

Fuyao Group respects individual intellectual property rights, and has formulated and implemented internal rules and regulations such as *Regulations on the Administration of Fair Competition*, in strict compliance with relevant laws and regulations of the *Patent Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*, to avoid infringing any copyright or intellectual property rights of other companies and individuals in operation. We also actively safeguard the Company's intellectual property rights and has set up a professional team to conduct daily management and dispute resolution on the Company's trademarks, patents, copyrights and other intellectual property rights. For malicious infringement of intellectual property rights of the Company, we will safeguard our legitimate rights and interests by various means, such as complaints, civil litigations, and judicial investigations for criminal responsibilities.

Fuyao Group has put great premium on, and strengthened capabilities in, technological innovation, taking it as the basis for our engagement in global competition. Over the years, the Company's annual new patent applications have continued to grow rapidly, keeping ahead in the industry. In 2020, the Company applied for 331 patents and was granted 233 patents.

Fuyao Group is committed to providing consumers with genuine and qualified products, and actively cooperates with the Public Security Bureau, the Industrial and Commercial Administration and the Technical Supervision Bureau to crack down Fuyao glass counterfeits and create a fair atmosphere of genuine automotive glass market. In addition, Fuyao Group has established the standard dealer store management system and standard brand management system to promote the standardization of market brands.

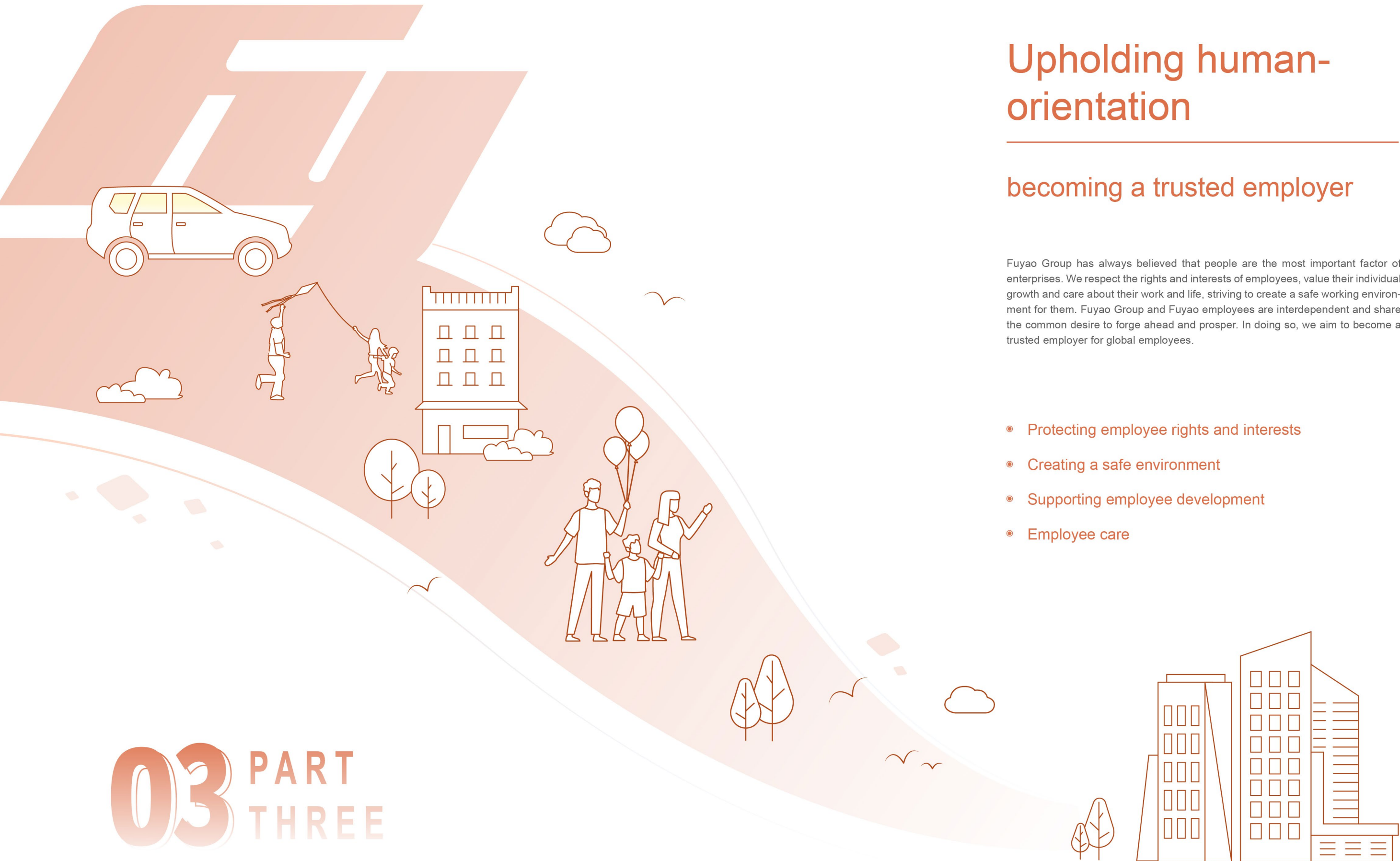
# Upholding human-orientation

## becoming a trusted employer

Fuyao Group has always believed that people are the most important factor of enterprises. We respect the rights and interests of employees, value their individual growth and care about their work and life, striving to create a safe working environment for them. Fuyao Group and Fuyao employees are interdependent and share the common desire to forge ahead and prosper. In doing so, we aim to become a trusted employer for global employees.

- Protecting employee rights and interests
- Creating a safe environment
- Supporting employee development
- Employee care

03 PART  
THREE

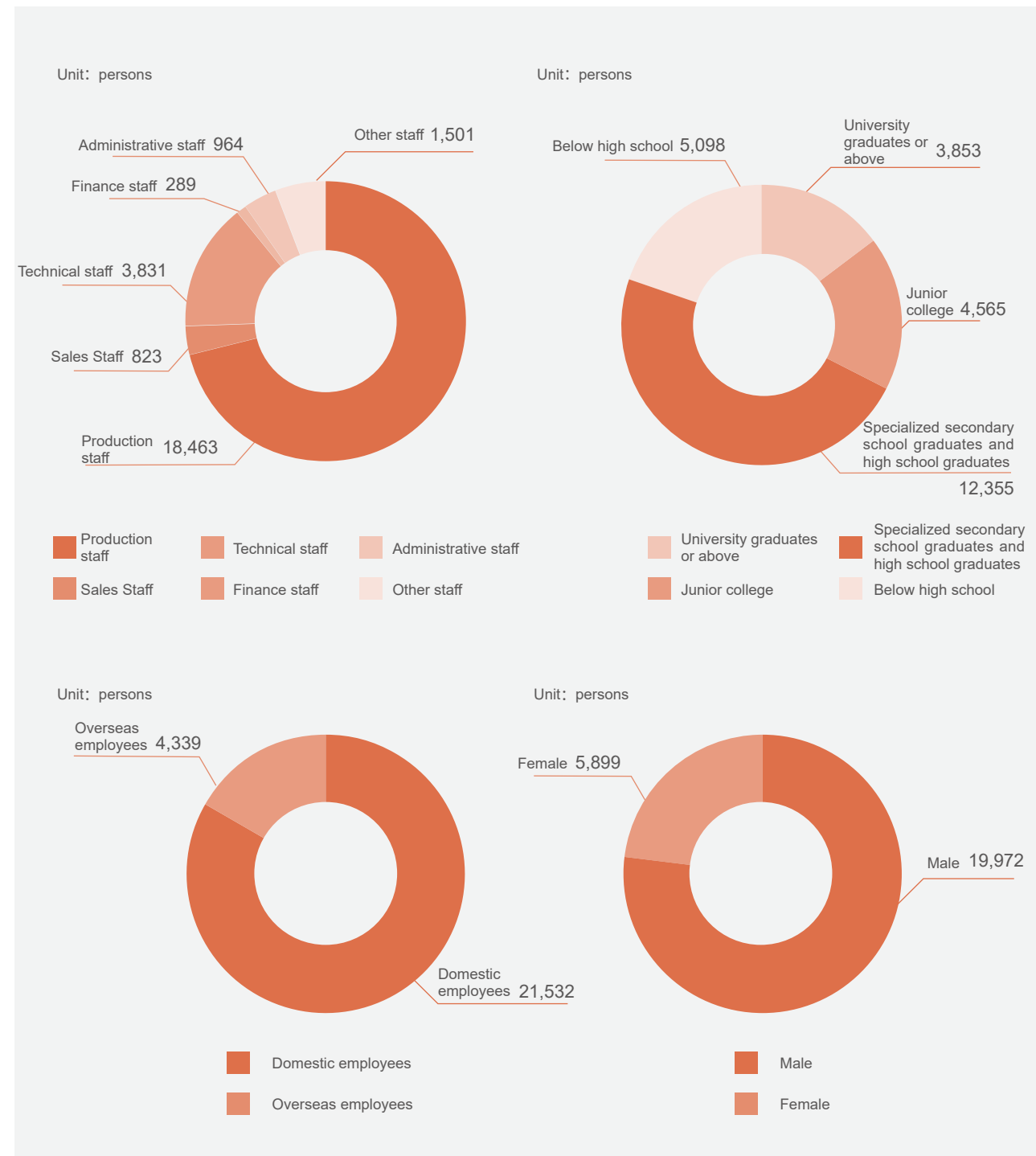




## Protecting employee rights and interests

Adhering to the “human-oriented” philosophy in its long-term practice of management and operation, Fuyao Group has always respected employees, safeguarded and protected their legitimate rights and interests, and effectively solved the problems that they care about through democratic management, striving to yield a harmonious and win-win results.

In 2020, Fuyao Group has a total of 25,871 employees. According to different basis, the number of employees is divided as follows:



## Labor standards

In strict compliance with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and the *Provisions on Prohibition of Child Labor*, Fuyao Group maintains and protects employees' rights to choose jobs freely and resolutely resists the use of child labor or forced labor. Fuyao Group firmly opposes discrimination, actively promotes the integration of diverse cultures, and has formulated internal documents such as the *Regulations on Recruitment Management*, the *Regulations on Prohibition of Forced Labor* and the *Code of Conduct for Social Responsibility of Fuyao Group*, constantly optimizing and improving the rules and regulations related to employees' rights and interests and striving to create harmonious labor relations.

## Remuneration and benefits

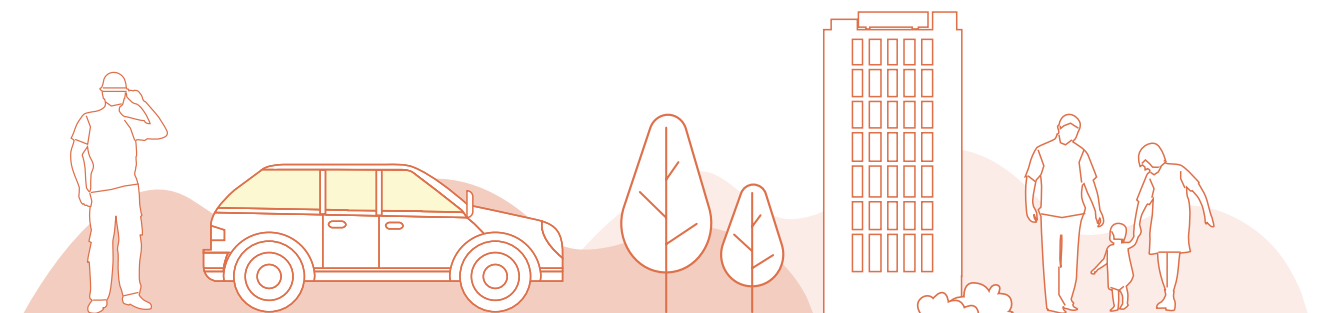
To guide the common growth of our employees and Fuyao Group and to in line with the principle of “fairness, competition, motivation, economy and compliance with law”, we have formulated a series of system documents such as the *Remuneration Management Policy*, the *Employee Performance Management Regulations* and the *Benefit Management Policy*, and set up compensation mechanism in which remuneration is mainly composed of basic salaries, subsidies, merit pay and overtime pay. According to relevant laws, Fuyao Group also regulates that the overtime pay of employees should be higher than the normal hourly pay, to fully incentive and guide our employees.

## Democratic management

In compliance with relevant laws, Fuyao Group respects the rights of all employees to voluntarily organize and join in trade unions, to collectively negotiate and peacefully assembly or refuse to participate in such activities. With the rights and interests of employees at its core, Fuyao Group has established and improved the *System of Employees' Congress* and the *Proposal System of Representatives of Employees' Congress*, etc., effectively protecting the rights of employees in democratic decision-making, democratic management and democratic supervision. The Company also set up an effective labor-management communication mechanism to allow employees regularly communicate with their representatives. For issues related to their interests, employees or their representatives can openly communicate with the management on working conditions and management practices and express their views and doubts without fear of discrimination, retaliation, threats or harassment. We have been committed to guiding employees to express their needs rationally and legally and participate in the management of the Company to enhance their sense of ownership.

## Holidays and working hours

In strict compliance with relevant laws and regulations such as the *Labor Law of the People's Republic of China* (“*Labor Law*”), the *Labor Contract Law of the People's Republic of China*, the *Employment Promotion Law of the People's Republic of China* and the *Employment Ordinance*, Fuyao Group has formulated systems such as the *Remuneration Management System* and the *Employee Attendance and Holiday Management Policy* to fully implement national working hour mechanism, and arrange employees to produce and rest in a well-planned manner. For employees who attend work outside the prescribed working hours, Fuyao Group reasonably calculates overtime hours and offer overtime pay in accordance with the Labor Law and other laws and regulations.



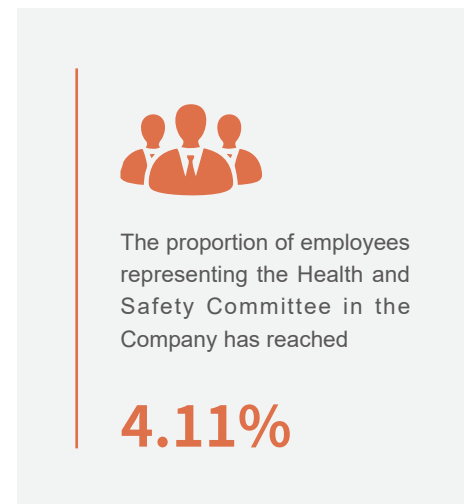
## Creating a safe environment

Fuyao Group always adheres to the concept “Safety is more important than everything” and regards health and safety as the top priority in business management. Providing all employees with a safe, comfortable and fine working environment and sparing no efforts to protect the health and safety of them is an important practice for Fuyao Group to become a trusted employer.

### Improving safety mechanism

In strict compliance with national laws and regulations related to work safety, including the *Production Safety Law of the People’s Republic of China*, the *Regulations on Production Safety License*, the *Regulations on the Safety Management of Hazardous Chemicals*, etc., Fuyao Group continued to strengthen its internal safety management by continuously improving the design of safety management at top level and optimizing the safety management system at the Company level.

The Company has set up the EHS (Safety, Health and Environmental Protection) Department under the Operation Office, which is responsible for continuously improving and updating Fuyao Group’s EHS management system and supervising and guiding the establishment, update and improvement of the subsidiary EHS management system that benchmarks and continuously improves the work safety in businesses, to ensure the Company’s EHS responsibilities and obligations. Fuyao’s subsidiaries organized the Representatives for Safety Affairs or the Safety Production Committee. The proportion of employees representing the Health and Safety Committee in the Company has reached 4.11%.



### Optimizing safety system

The subsidiaries of Fuyao Group have refined the field of work safety management. In response to different work safety management issues, specific system documents including the *Regulations on the Management of Work Safety Responsibility System*, the *Safety Education and Training Management Regulation*, the *Regulations on the Safety Management of Production Equipment and Facilities* have been formulated, covering system planning, equipment and facilities management, operation safety, accident and emergency management, performance testing and improvement, etc. With responsibilities being implemented by departments and personnel in different fields, the work safety and the management of it have been improved and the concept of “Safety is more important than everything” has been implemented.

### Safety system certification

Multiple subsidiaries of Fuyao Group have obtained the certification of the ISO45001, the OHSAS18001 and the NOSA EHS management system, which indicates that Fuyao Group has met the requirements of corresponding safety management system standards in the whole process of safety management activities, and that the Company has implemented its main responsibilities for work safety and set up a new starting point for comprehensively promoting work safety standardization and the construction of occupational health and safety management system.

## Creating safety culture

The Company believes that ongoing investment in, and education on employees is the key to identify and address health and safety problems in the workplace. According to the *Provisions on Safety Training of Production of Operation Units*, Fuyao Group has formulated the *Safety Education and Training Management Regulation*. Educational and entertaining activities have been carried out for the safety promotion for all employees, including lectures such as the *Theoretical Explanation of Fire Safety and Disaster Reduction* and the *Training on the Use of Dangerous Chemicals*, etc., to assist employees to firmly establish work safety awareness and practice the concept of life first, to promote work safety management. We’ve earnestly protected the health and production and living interests of employees by creating a work safety atmosphere with full participation.

### Safety management measures

Fuyao Group has formulated the management measure of “1000-point assessment” in quality, safety, environment, etc., which reviews four types of work in revenue increase, expenditure reduction, development and risk control with clear standards. In the assessment, the injury rate per thousand workers accounts for 60 points.

In order to implement the policy of “safety first, prevention first and comprehensive treatment”, Fuyao Float has formulated the *Management Regulations on Safety Inspection and Hidden Danger Rectification*, and established an investigation and treatment mechanism for hidden dangers of work safety accidents and eliminated them from the beginning. Based on current epidemic and safety situations, Fuyao Automotive Glass has also organized a one-week comprehensive safety investigation, covering electrical safety, equipment and facilities safety, hazardous chemicals safety and other fields. Subsidiaries have rectified all types of hidden dangers according to the principle of “drawing inferences from others”, which contributed to the safe and stable operation of Fuyao Group.

In order to standardize the safety management of production site and ensure work safety, the Company has conducted emergency drills to enable on-site production personnel and equipment department personnel to master the emergency procedures of key equipment, and improved the abilities of on-site management personnel and professional teams in coordination and rapid emergency response. The equipment personnel and production personnel are more proficient in addressing emergent work and the risks brought by failures of key equipment for batching, and the stability of production has been lifted.



Work safety drill



## Ensuring occupational health

According to the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the *Measures for the Supervision and Management of Occupational Health Supervision of the Employer* and other relevant laws and regulations, we've formulated the *Provisions on the Management of Labor Protection*. Thus, "three simultaneities" of occupational disease prevention, the assessment of occupational disease hazards and the occupational hazards of the construction project hazard notification are specified in detail to prevent, control, reduce and eliminate occupational hazard factors and ensure the health of employees. 100% of the locations within Fuyao Group have conducted health and safety risk assessment for employees.

Fuyao Group also guides its subsidiaries to formulate hazard identification and evaluation tables, make statistics on potential production-related hazards and list possible consequences, to enable employees to take precautions and avoid being exposed to the hazards, minimizing the threats to their health. In order to minimize the impact of occupational hazards on employees' health, Fuyao Group has formulated the *Provisions on the Management of Labor Protection*, defined the allocation standards of labor protection supplies, provided employees with safety protection supplies according to the system, and conducted training for correctly wearing labor protection supplies to strengthen their use efficiency and prevent and reduce work safety accidents.

The locations within Fuyao Group have conducted health and safety risk assessment for employees

100%

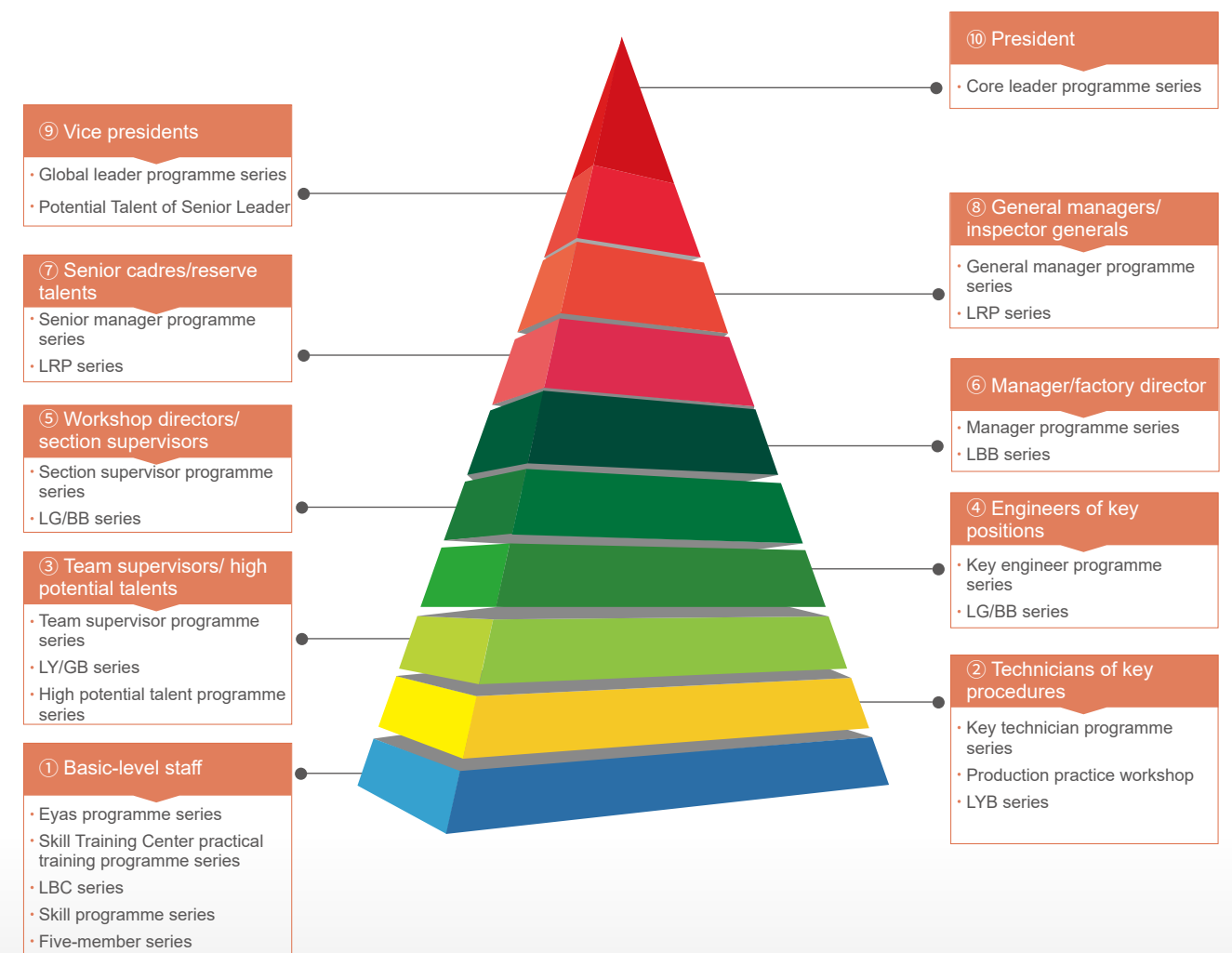


## Supporting employee development

Fuyao Group regards human resources as the primary resource of the corporate and comprehensively supports the development of employees through training and online learning platforms. The Company pays attention to the career development of employees, formulates reasonable development channels, and provides corresponding incentives to meet the common development needs of employees and Fuyao Group.

In order to implement the management philosophy of "human orientation and driving development with talents", Fuyao Group has established the Fuyao School of Management, which is responsible for establishing its internal training system and guiding the training programs of its subsidiaries, thus laying a solid talent foundation for the long-term development of the Company. The school provides continuous and targeted education and training for employees and is committed to continuously improving the qualities and abilities of employees at all levels. In the process of formulating and implementing the education and training plans, paying attention to the different needs of basic-level employees, leaders and administrative personnel, technical and line management personnel as well as the needs of Fuyao Group for continuous development, the Company has built a targeted and diversified training system combining both internal and external trainings to achieve better training results.

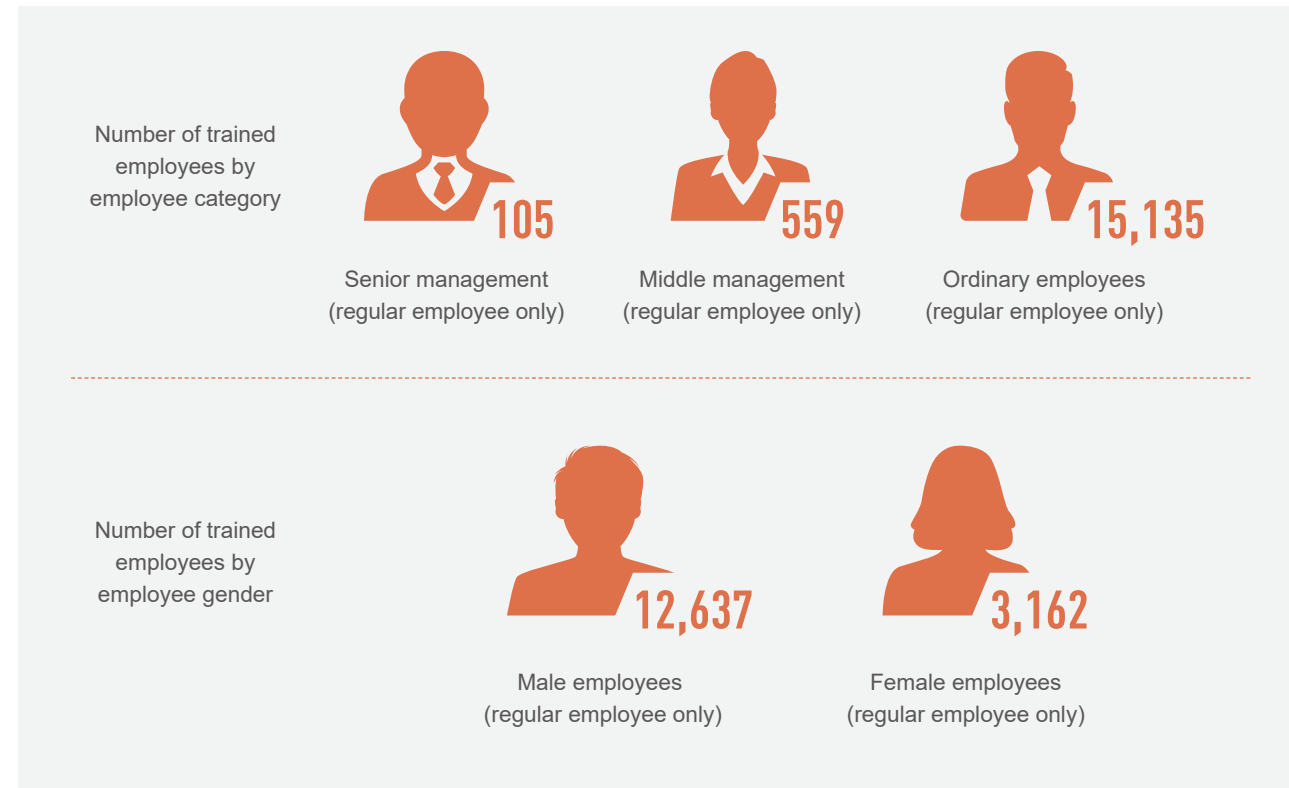
Fuyao Group Talent Training System



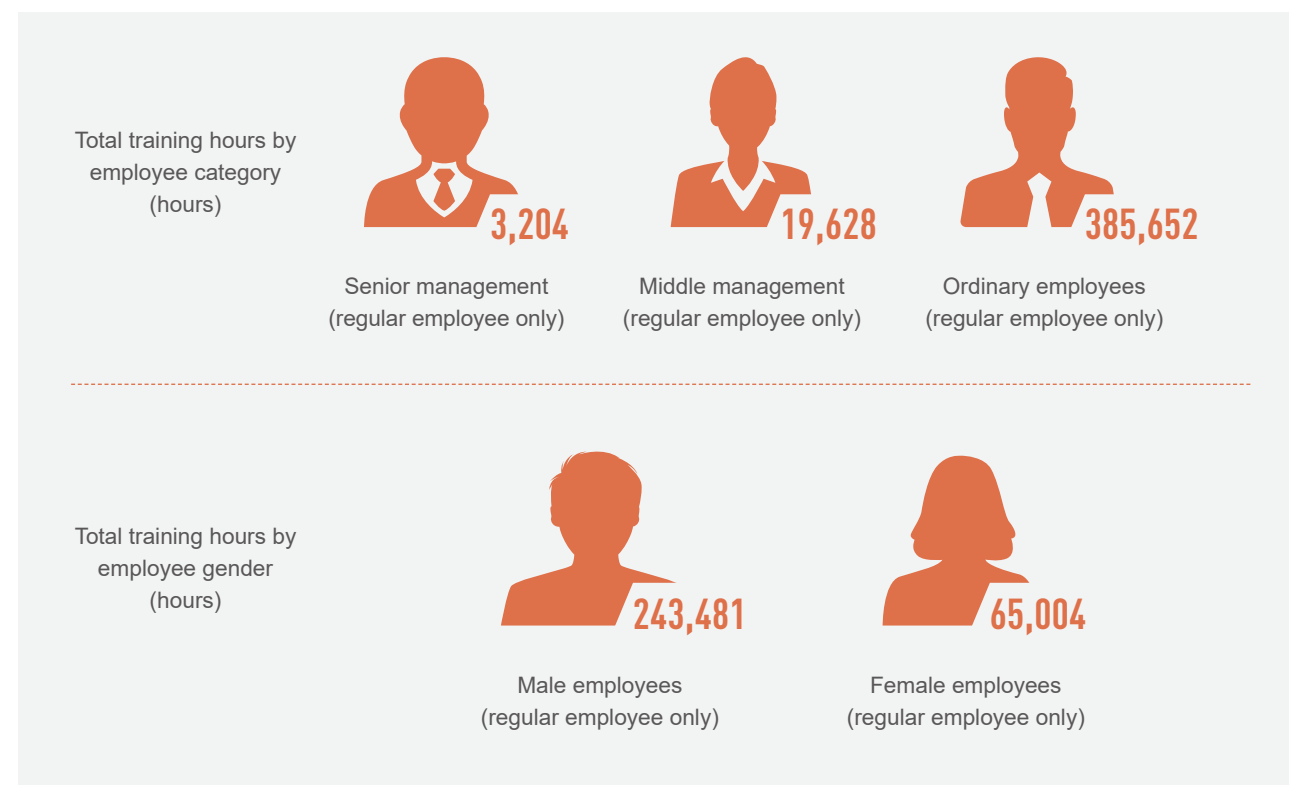
Fuyao School of Management



The proportion of the trained employees by different categories in the Group in 2020 is listed as follows:



The average training hours of the employees by different categories in the Group in 2020 are listed as follows:



Case

The launch of the "dawning plan" programme of Fuyao School of Management

On July 10, 2020, Fuyao School of Management tailored a special induction training program "dawning plan" programme for 35 fresh master and doctoral graduates from Harbin Institute of Technology, Central South University and Tianjin University and other key institutions. The lecturers of Fuyao School of Management opened the eyes of these "Fuyao freshmen" and ushered in another round of dawn of life in the training.

Case

The launch of the "LGB programme" of Fuyao School of Management

The Group has fully launched lean belt-level talent training programmes to implement its lean strategies, facilitate the practice of related projects, and create the atmosphere of continuous lean improvement. In February 2020, during the epidemic, the online cloud conferences were held, and courses were conducted both online and offline. By December 2020, Fuyao Group has totally trained 84 internal LYB trainers and transferred training to more than 4,657 LYB students, making 1 set of LYB teaching materials internalized; it has also trained 33 LGB trainers, 35 programme counseling experts, and transferred training to more than 461 LGB students, making 1 set of LGB teaching materials internalized.





Case

The “sword-wielding action”

The “sword-wielding action” is the talent training programme which Fuyao Group has set up for key technicians, which creates an efficient cloud training system that combines online and offline modes to train the staff in a systematic, standard and scientific manner. It integrates the simultaneous improvement of staff training and business performance and establishes a perfect training mechanism and system of master control talents for subsidiaries to tap more internal potentials in continuous practice. It has also upgraded personnel skills, serviced equipment and formulated output operation specifications and benchmarks to advance such practice, which improved the standard operation and the conditions for good products, stabilized the production and lifted the quality and efficiency.



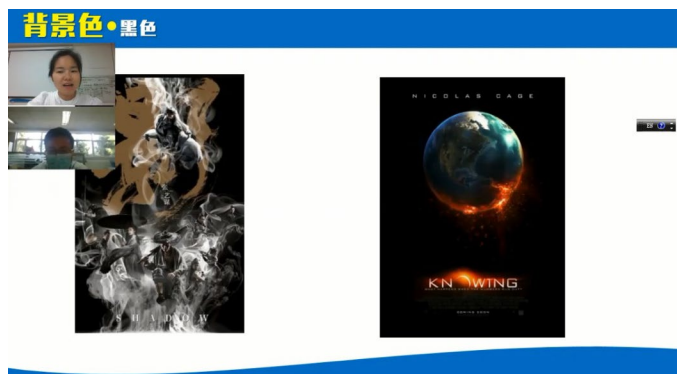
The School of Management of Fuyao Group quickly transformed training modes during the period of COVID-19. The change from offline training to online training broke the restrictions of time and geography, and reduced the costs of repeated manual teaching and studying in different places, which improved the performance of business departments while inheriting corporate knowledge and experience, thus truly ensuring training and epidemic prevention.



Case

The launch of the “Micro-course Developer Training Camp” of Fuyao School of Management

From March 5, 2020 to December 11, 2020, three training camps for micro-course developers of Fuyao Group were held continuously. 19 online micro-course developer growth series, 6 online live practical courses and one-on-one 15-day WeChat tutoring were provided in the training camp. More than 60 micro-course developers were trained, and more than 100 high-quality micro-courses have come out, including micro-courses for the entry of new employees, craft micro-courses, etc., to provide targeted solutions to difficulties and sore points for different groups.



## Employee care

In order to meet the diversified needs of employees, Fuyao Group has proactively built the staff care system from three aspects: staff activities, logistics support and staff benefits, committed to sending every employee the warmth and care of Fuyao family.

We've carried out plentiful corporate cultural activities that increase the joyful, familial culture within Fuyao Group, to relieve employees' burdens in life and work, enhance their sense of belonging and build a harmonious internal corporate environment.



Employee activities

The Company has built sports fields, canteens, children's playgrounds and staff dormitories in order to create a comfortable and happy living area for its employees to balance work and life, striving to provide the best logistical support to allow them work at ease.



Living area



Fuyao Group also has a well-established employee benefit system. In order to attract talents and motivate employees, the Company has formulated the *Benefit Management Policy* to provide employees with various benefits and special benefits, including basic overall insurance, paid leave, physical examination, holiday gifts, team building, etc. in accordance with relevant regulations of the state.



Employee benefits

To support the resumption of work and production during the epidemic, the Company formulated strict control and prevention measures, and comprehensively disinfected factories, office buildings and other crowded places, as well as production equipment and central air conditioners on a regular basis. The factory ensured that staff going to and from work are staggered and wear masks, and body temperature are all measured by security personnel. The Company also sent Fuyao vehicle fleet to pick up employees on their way back to ensure their safety and provided disinfectants for the returned employees.

In order to safeguard employee safety, Guangzhou Automotive Glass developed its own ordering platform for daily necessities. This non-physical contact delivery enabled employees to purchase food without going outside the dormitories.

For the purpose of better understanding employees' needs and encouraging their engagement in corporate management, Fuyao Group has set up an employee feedback channel. This works as a bridge between staff and the Company, through which the management could better understand employees' thinking, improve the existing deficiencies in a targeted way, and create a more suitable environment for employees' work and life.



Platform of "employee voice"

In the course of Fuyao Group going global, Chinese workers also engage the world and promote cultural integration while telling the stories of Fuyao Group to global audience.



Case

Chinese workers on the Oscar red carpet

On February 9, 2020, the 92nd Academy Awards Ceremony was kicked off in the Dolby Theatre in Hollywood, USA, with the highest-paid screen stars and directors all gathered together on the red carpet and broadcasted to the world.

He Wang, the factory director of the tempering plant of Fuyao Glass America Inc. (hereinafter referred to as FGA), as the photographer and film representative of the documentary American Factory, was about to step on the red carpet. There are a lot of scenes of He Wang in the film. He is also the Chinese face with a rather complete individual story besides Chairman Cho Tal Wong, he also stood as a representation of the group image of "Chinese workers".



The 1-hour-and-50-minute documentary began in February 2015, with a material volume of 1,430 hours. It reflects the collision and integration of Chinese and Western cultures as Fuyao Group made investments and established factories in the United States. He Wang always put human feeling first as he manages and trains local employees, just as he remarked: "Human feeling is universal in the world regardless of Americans or Chinese, it is the common language of all people."



Case

Training apprentices in Germany

34-years-old Hu Gen, the "old master" of FYSAM, has an important task of training apprentices in Germany besides installing and debugging aluminum polishing equipment.

In 2019, Hu Gen led a team of 14 to Germany to help SAM refine the workshop equipment. These 14 "seed players" had an extraordinary mission – they would not only contribute to technology export and equipment transformation, but also make their debut in SAM, Germany as "Chinese engineers".



There was one time when an aluminum polishing machine broke down, and Hu Gen, who was familiar with the equipment, quickly identified the failure point and decided to pick up a device and start debugging. However, Frank, a strict German, stopped him because he didn't believe that a Chinese project engineer could determine a failure point so accurately in such a short time. Their communication was unsatisfying. The highly responsible German reported the case to the factory director and asked to dispatch professional engineers to repair it.

Hu Gen decided to stick to his own way, worked overtime until 10 pm and finally debugged the machine. The next day, when Hu Gen went to the workshop, he was still worried about how to explain this to Frank. Unexpectedly, Frank took the initiative to greet him and was very happy to admit that Hu Gen's judgment was correct. He also took Hu Gen to the machine and asked about its operation principle and troubleshooting skills in detail.

This experience made Hu Gen understand his German colleagues thoroughly. They think like science geeks, that is, they will respect you as long as you have technical strength. "My German colleagues are simple and lovely. As long as your skills are excellent, they are willing to recognize you and respect you." Hu Gen said that the relationship between colleagues of the two countries was very good, anyone who had technical problems in the workshop would be offered help, and we also learned from each other in troubleshooting.



# Going green

## becoming a safeguard of global ecological environment

Fuyao Group holds the environmental protection guideline of “promoting environmental protection, complying with regulations, encouraging clean production and making continuous improvements” and the environmental green concept of “resource-saving and environment-friendly enterprise”. Fuyao Group puts strong emphasis on saving existing resources and minimizing impacts on the environment. It responds actively to the national green manufacturing strategic tasks by building national green factories, developing green products, and leading the sustainable development of the industry.

- Practicing low-carbon concept
- Reducing impacts on the environment
- Developing green products

04 PART  
FOUR

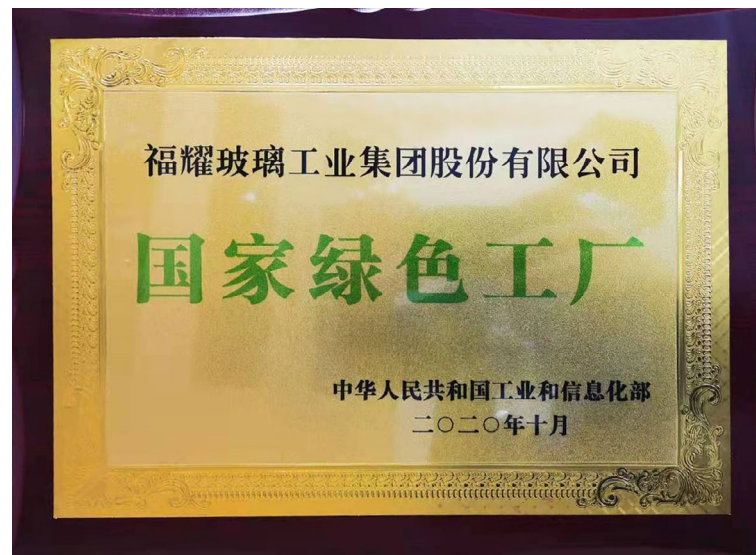


## Practicing low-carbon concept

With the evolution of global environmental management concept, the deepening of environmental and development strategies, Fuyao Group has correspondingly optimized its energy consumption management, continuously improved production process and the integrated utilization of energy and natural resources, and practiced low-carbon concept in every link of production and operation.

## Environmental management system

Fuyao Group attaches great importance to environmental protection, and always aims at conserving energy and reducing emissions, cutting costs and increasing efficiency, and protecting the environment. The Company is committed to establishing itself as a resource-saving enterprise. According to the *Energy Conservation Law of the People's Republic of China*, *Water Law of the People's Republic of China* and relevant laws and regulations, the Company formulated a series of management policies including the *Environmental Protection Management Regulations*, the *Hazardous Waste Management Regulations*, and *Environmental Management Audit*. On the basis of a mature and well-developed management system, the Company obtained ISO14001 environmental management system certification. In 2020, Fuyao Glass Industry Group Co., Ltd. won the National Green Factory Certification.



National Green Factory Certification

To ensure that Fuyao Group and its subsidiaries implement the green concept in their daily operations, the Company has set up the EHS (environment, health and safety) department under the Operation department, which is responsible for set up the EHS system of Fuyao Group and supervising subsidiaries set up corresponding EHS management systems. All subsidiaries set up an environment protection and safety management organization and environmental protection personnel, which are responsible for the implementation of the environmental protection and safety management requirements of subsidiaries and factories.



Fuyao Group requires that the green concept is upheld in the entire lifecycle of production, and observes “one enhancement”, “two observations” and “seven proactivenesses”.

One enhancement:	To enhance environmental awareness constantly.
Two observations:	To observe environment protection laws and regulations strictly, and minimize the negative impacts of production and operation activities upon environment as a law-abiding enterprise; to observe the internal supervision and examination, and fully implement all measures and targets regarding environment protection.
Seven proactive-nesses:	<ol style="list-style-type: none"> <li>1) To be proactive on strengthening operation and management of green facilities to guarantee compliance with pollutant discharge standards.</li> <li>2) To be proactive on reducing the emission concentration.</li> <li>3) To be proactive on controlling pollutant discharge from fountainhead by increasing investment in environmental protection, accelerating infrastructure construction, and importing advanced production technology.</li> <li>4) To be proactive on tightening clean production audit, executing technological transformation, promoting clean production, and eliminating outdated heavily-polluting technologies, facilities and products.</li> <li>5) To be proactive on new technology invention to solve environmental issues and increase reclaimed water reuse rate while exploring new approaches to energy conservation with comprehensive utilization of resources.</li> <li>6) To be proactive on development of environment risk emergency plans to respond to environmental accidents.</li> <li>7) To be proactive on organizing campaign, implementation and training on environmental protection, energy conservation and recycle economy, and launching environmental protection, energy conservation and emission reduction activities across Fuyao Group.</li> </ol>



Case

### Float Glass Group pushing for delicacy energy management


In 2020, Float Group further strengthened the construction of energy management system and moved towards delicacy management. Float Group enabled online monitoring and collection of energy consumption by optimizing the energy metering system, which has provided more accurate and detailed data for the quota management of energy consumption. By implementing the quota management and energy consumption benchmarking activities, Float Group strived to achieve the goal of energy conservation. In addition, it continued to promote the online monitoring and collection system of energy consumption, providing a big data platform for energy consumption quota analysis and energy efficiency benchmarking management with accurate data received promptly.



## Use of energy and resources

Saving resources and improving the utilization of resources can effectively help enterprises improve their economic benefits and promote their green and long-term development. Fuyao Group actively promote the use of new technologies, new processes, new materials, new equipment and new energy. All subsidiaries formulated documents such as *Energy Operation Control Procedures*, the *Energy Performance Monitoring, Measure and Analysis Procedure*, the *Energy Evaluation Procedure* to standardize energy use. Meanwhile, target breakdowns and project plans of reducing costs and enhancing efficiency are formulated every year, with designated personnel following on. The Company makes continuous efforts to optimize its production process and improve production equipment. All float glass are produced by using clean energy—natural gas. In 2020, Fuyao Group witnessed obvious environmental benefits as a result of its multiple projects, including reusing waste heat, avoiding outsourcing heat power and improving the usage of renewable energy, to generate a total of 13,207,440 MWh photovoltaic power.

**Energy targets:**



Save energy, lower energy consumption, improve energy efficiency and reduce energy costs

Total energy consumption (2019-2020)

	Automotive glass		Float glass	
	2020	2019	2020	2019
Natural gas (MWh)	27,135.11	36,949.99	3,010,915.09	3,630,869.05
Diesel (MWh)	8,627.48	10,519.86	25,522.01	5,611.79
Gasoline (MWh)	435.31	272.13	0.00	145.11
Total direct energy consumption (MWh)	36,197.91	47,741.98	3,036,437.10	3,636,625.95*
Direct energy consumption intensity	3.47 MWh/10,000 sq.m. of product	4.36 MWh/10,000 sq.m. of product	2.35 MWh/tons of product	2.73 MWh/tons of product
Purchased electricity (MWh)	1,265,169.75	1,295,124.92*	246,470.70	299,310.85
Total renewable energy consumption (MWh)	0.00	2,195.14	0.00	0.00
Purchased heat (MWh)	1,265,169.75	1,297,320.06*	246,470.70	299,310.85
Total indirect energy consumption (MWh)	121.13 MWh/10,000 sq.m. of product	118.52 MWh/10,000 sq.m. of product	0.19 MWh/tons of product	0.21 MWh/tons of product
Indirect energy consumption intensity	1,301,367.66	1,345,062.04*	3,282,907.8	3,935,936.80*
Total energy consumption <sup>3</sup> (MWh)	124.59 MWh/10,000 sq.m. of product	122.88 MWh/10,000 sq.m. of product	2.55 MWh/tons of product	2.94 MWh/tons of product

Note:\* Due to the scope adjustment, the data of 2019 has been updated.

<sup>3</sup>The use of renewable energy has not been included when calculate the density of total energy consumption.



**Case** Energy-conservation transformation of air compressor system

Fuqing automotive glass's existing air compressor system faces many problems, such as aging of units, high energy consumption, unreasonable layout of pipe network, independent management and control, and difficulty of waste heat recovery due to scattered units. In 2020, Fuqing automotive glass replaced the existing scattered screw units with efficient and energy-saving centrifugal air compressors to achieve centralized management; the main pipes between the branch networks of each factory was optimized to reduce energy losses in pipeline; and hot water generated from waste heat recovery was used for pretreatment washing machine. According to the data from 2019, it is estimated that 4 million KWH will be saved per year upon project completion.

Approximate annual power saving **400** million KWH

**Fuqing automotive glass**

As the existing air compressor system in Guangzhou automotive glass was used for over 13 years, the energy efficiency of the units was lowered considerably. The independent control of each unit also caused sharp pressure fluctuation of the air compressor pipe network and high energy consumption. Besides, the PPR pipe fittings used in the waste heat recovery device was prone to potential safety hazards such as rupture and water leakage due to changes in pipe pressure and temperature. In order to meet the requirements for energy-saving and efficiency-increasing by Fuyao Group, Guangzhou automotive glass adopted a single high-efficiency and energy-saving centrifugal air compressor and phased out the existing scattered screw units for centralized management; and optimized high-pressure air pipeline to reduce energy losses in pipeline; and hot water generated from waste heat recovery was used for pretreatment washing machine. According to the data from 2019, it is preliminarily estimated that the annual electricity saving of this project is approximately 3.8 million KWH.

Approximate annual power saving **380** million KWH

**Guangzhou automotive glass**



Case

Float Group's application of combined measures for a comprehensive optimization of resource utilization

**Project for natural gas consumption reduction of colored glass:**By adjusting the gas distribution of each small furnace, increasing the hot spot temperature, stabilizing the temperature of the crown, clearing blockages in the regenerator regularly, and reinforcing the fine control of the combustion flame, Float Group avoided the problem of insufficient combustion air caused by the blockage of the regenerator and ensured flame quality. After renovation, natural gas consumption will be saved by 433,000 cubic meters per year, equivalent to 506.6 tons of standard coal.

Natural gas conservation

**Project for consumption reduction of shielding gas-hydrogen:**Improving the sealing of tin bath, changing the size of outlet curtain and other adjusting methods to reduce tin pollution and cut down the usage of the shielding gas of hydrogen in tin bath. After renovation, it is estimated that hydrogen consumption can be saved by 141,000 cubic meters per year, equivalent to reducing 600,000 KWH for hydrogen production<sup>4</sup>, that is, 73.7 tons of standard coal.

Hydrogen conservation

**Renovation of regeneration gas source in hydrogen station:**Nitrogen generated by gasification of liquid nitrogen storage tank was provided to hydrogen station, and excess liquid nitrogen in nitrogen production was stored in the tank. This solved the problem of wastefully emptying liquid nitrogen due to its supersaturation of storage. After renovation, it is estimated that approximately 788,000 cubic meters of nitrogen per year can be saved, equivalent to saving 252,200 KWH in terms of power consumption per cubic meter of nitrogen<sup>5</sup>.



On-site equipment for renovation of regeneration gas source in hydrogen station

Nitrogen conservation

**Reducing fan frequency for energy conservation:** A temperature monitoring mechanism was established for the cooling fan at the bottom of the first and second line of tin bath and the fan for combustion air of the melting furnace. The operation frequency of the fans was reduced to meet the requirements of the temperature range in production, so that power consumption caused by excessive cooling in cold seasons such as fall and winter can be avoided. The improvement can save 890,000 KWH of power per year.

Energy conservation

**Technical renovation for energy-conservation of circulating water in hydrogen station:** An accurate analysis of circulating water system in hydrogen station revealed that 2.2KW low-power water pump can be sufficient to meet the production demand of hydrogen station in peak hours & off-peak hours (16 hours), and there was no need to keep spraying pump, cooling fan and other equipment running non-stop for 24 hours. After improvement, the annual power consumption is reduced by 129,600 KWH, equivalent to 15.9 tons of standard coal.

**Technical renovation project for energy-conservation in refrigeration station:** A 15KW low-power water pump was used to replace a 37KW high-power water pump in refrigeration station. This could not only meet the demand of refrigeration production in spring and winter seasons, but also save energy and reduce consumption. After improvement, approximately 95,000 KWH of power consumption can be saved per year, equivalent to 11.7 tons of standard coal.

<sup>4</sup>Power consumption for hydrogen production: 4.2569kwh/m<sup>3</sup>  
<sup>5</sup>Power consumption per cubic nitrogen production: 0.32kwh/m<sup>3</sup>

Total water consumption (2019-2020)

	Automotive glass		Float glass	
	2020	2019	2020	2019
Total water consumption (tons)	4,830,832.76	3,317,785.00	1,049,604.00	2,026,596.00
Water consumption intensity	0.05 tons/sq.m. of product	0.03 tons/sq.m. of product	0.81 tons/tons of product	1.51 tons/tons of product



Case

Float Group conducting technical renovation for energy conservation of circulating water temperature control

In 2020, Float Group implemented the technical renovation for energy conservation of circulating water temperature control. By adjusting the diameters of cooling water tank and tin bath edge roller in melting furnace and adding bypass flow control valve, Float Group ensured the safe use of water tank, reduced the opening of main ball valve, and stabilized the temperature through automatically adjusted water flow. According to the analysis of water consumption in 2019, this technical transformation will save 568,000 tons of water per year, and an estimate of 1.46 million KWH of power consumption will be reduced.

Approximate annual water saving

**568,000 tons**

Fuyao Group takes consistent approach to manage packaging material. All subsidiaries set up a packaging case upgrading team based on respective realities, and are responsible for formulating the use plan of packaging material, optimizing different packaging materials (e.g. wood and paper cases) and packaging design, and encouraging all employees to participate through incentives such as contests and giving rewards for excellent cases.

Total packaging material use (2019-2020)

	Automotive glass		Float glass	
	2020	2019	2020	2019
Wood cases (tons)	22,173.96	9,340.20	918.13	2,139.54
Paper cases (tons)	26,597.20	21,675.47	0.25	1.36
Total packaging material consumption (tons)	48,771.16	31,015.67*	918.38	2,140.90*
Packaging material consumed per unit of production	4.67 tons/10,000 sq.m. of product	2.83 tons/10,000 sq.m. of product	7.12 tons/10,000 tons of product	12.59 tons/10,000 tons of product

Note: \*Due to the scope adjustment, the data of 2019 has been updated.



## Responding to climate change

Climate change is a severe challenge facing mankind in the 21st century, and active responses will stimulate new momentum of enterprises. Fuyao Group, as one of the leading players in the industry, promotes cleaner production in an all-round way while strengthening its ability to cope with climate change. The Company has begun to deploy distributed photovoltaic power generation projects since 2017, which were successfully implemented in Fuqing Float Factory and Suzhou. In 2020, the Company continued to expand the area of distributed photovoltaic power plants, optimize the energy structure, and effectively reduced traditional energy consumption and greenhouse gas emissions.

Fuyao Group is committed to promoting the use of cleaner energy, improvement of energy efficiency, and rolling out greener products for the purpose of the transformation to sustainable development. The Company identifies the risks and opportunities of climate change, comprehensively analyzes the significance of its impacts on the Company's future business development and formulates plans accordingly.

2020 CDP climate change questionnaires

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### Physical risks



**Acute risk:** The headquarters of the Company and some factories are located in typhoon-prone areas, and the frequent extreme weather causes attrition in machinery and power interruption, resulting in increased operating costs.

**Chronic risk:** The Company headquarters and some factories are located in offshore and typhoon-prone areas, where climate change will lead to an increase in the frequency of floods and rainstorms.



For Fuyao Group headquarters and factories in Fujian, the Company set up an emergency response lead group, improved the emergency response mechanism for climate-related risks, standardized the regulations for safety production, improved its ability in emergency response, and took measures to control the event promptly to minimize the impact on the Company.

### Transition risks



**Policy risk:** The government is strengthening the control of energy consumption and may set targets to control total energy consumption and energy intensity. The Company will not be able to obtain subsidies from favorable policies if it failed to meet the standard, which will have a negative impact on its production cost.

**Technology risk:** In terms of global climate change, automobile manufacturers require more from the glass products performance. With the rapid development of technology and the prevalence of green products, it is of critical importance that the Company can quickly respond to market requirements and carry out product technical innovation.

**Reputation risk:** It will be a damage to the Company's reputation if it failed to be certified as a green brand in the evaluation and selection of China Green Manufacturer.



In response to such risks, Fuyao Group paid close attention to market trends, worked to understand government and consumer demands, increased investment in R&D of environmentally friendly products, and kept improving the management refinement level of efficiency of the production process so as build itself as a green brand.

### Greenhouse gas emissions and density (2019-2020)<sup>6</sup>

	Automotive glass		Float glass	
	2020	2019 <sup>*</sup>	2020	2019
Scope I: Direct emissions (in tons of CO <sub>2</sub> equivalent)	7,839.37	10,271.77	612,139.68	973,022.20
Scope II: Direct emissions (in tons of CO <sub>2</sub> equivalent)	861,201.05	882,461.29	167,772.61	217,498.12
Total emissions (in tons of CO <sub>2</sub> equivalent)	869,040.42	892,733.06	779,912.29	1,190,520.31
Emission intensity	0.0083 tons of CO <sub>2</sub> equivalent/sq.m. of product	0.0082 tons of CO <sub>2</sub> equivalent/sq.m. of product	0.60 tons of CO <sub>2</sub> equivalent/tons of product	0.88 tons of CO <sub>2</sub> equivalent/tons of product

Note: <sup>6</sup> The calculation of greenhouse gas emissions is based on the Guidelines for Accounting and Reporting of Greenhouse Gas Emissions by Chinese Flat Glass Manufacturers (for Trial Implementation) issued by the National Development and Reform Commission of China, which is calculated from the use of gasoline, diesel, natural gas and purchased heat. The greenhouse gas conversion factor for electricity consumption refers to the 2012 China's regional grid average carbon dioxide factor.

<sup>\*</sup> We recalculated the greenhouse gas emissions based on the adjusted data of 2019, the method and parameters is the same as 2020.



### Applying photovoltaic power generation to upgrade energy structure

In 2020, Fuyao Group proactively used renewable energy and reduced the use of traditional coal energy to further implement the concept of green operation and green development.

Shenyang Automotive Glass Project (new): The installed photovoltaic capacity is 5.7MW and is estimated to generate 6 million KWH of power per year upon putting into production, which is equivalent to saving 2,400 tons of standard coal and reducing 5,982 tons of carbon dioxide emissions.

Hubei Automotive Glass roof distributed photovoltaic project (in construction): The installed PV capacity is 11MW, and is estimated to generate 9.9 million KWH of power per year upon putting into production, which is equivalent to saving 3,960 tons of standard coal and reducing 9,870 tons of carbon dioxide emissions.

Roof distributed photovoltaic output expansion (new): Fuyao Group cooperated with China Resources Group to increase photovoltaic power capacity by 0.75MW using spare roofs of steel structural workshops (e.g. the thermal insulation warehouses). The expansion project has been put into operation in October 2020, which has been adding photovoltaic output by 675,000 KWH per month and reducing the total energy consumption by 270 tons of standard coal.

## Reducing impacts on the environment

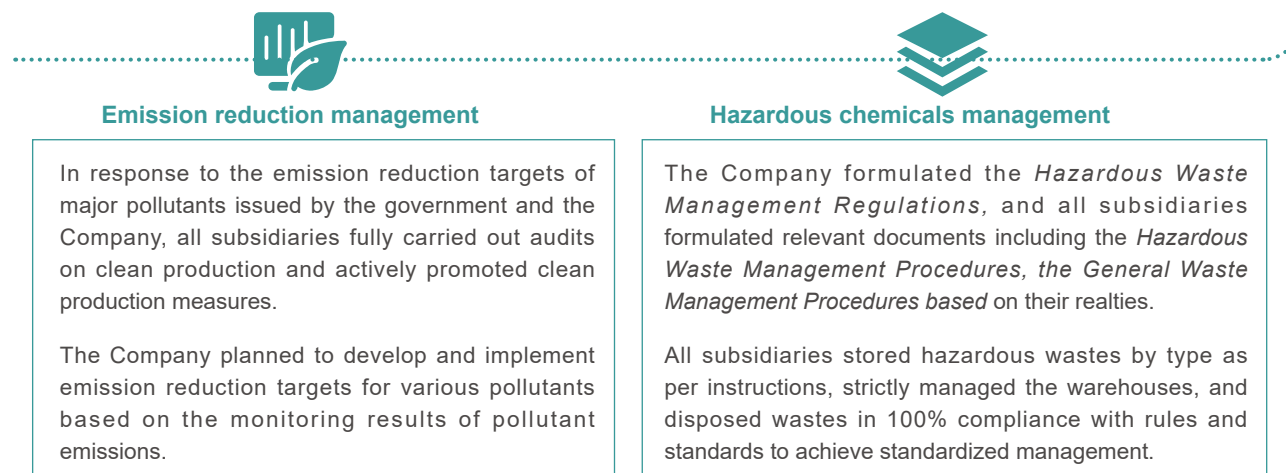
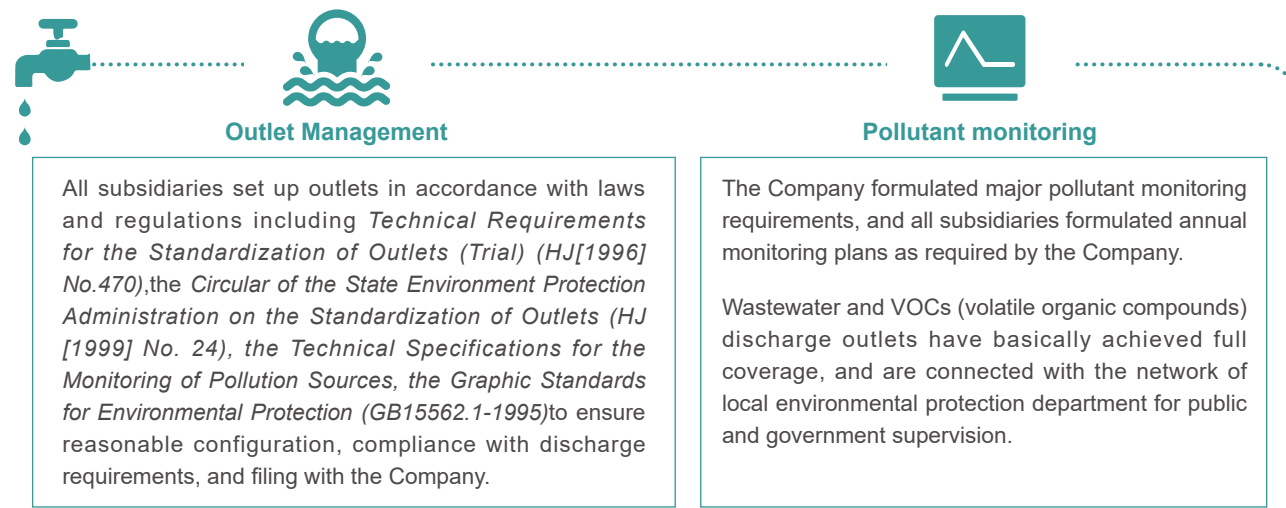
Fuyao Group ensures strict observance of relevant laws and regulations including the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Noise*, actively cooperates with local environment protection offices to monitor the three industrial wastes, improves its technical level, strictly monitors pollutant emissions and strives to minimize the emissions.

### Reducing pollutant emission

In order to establish a normalized, standardized and refined environmental management mechanism, Fuyao Group formulated the *Environmental Protection Management Regulations* to stipulate detailed standards for all subsidiaries including sewage outlet management, pollutant and noise monitoring, emission standards and waste disposal, etc., ensuring that the discharge is compliant with standard. In 2020, discharge of wastewater and waste gases of all subsidiaries met the national standards, and there was no violation. General industrial solid waste and hazardous waste were treated safely or used comprehensively, with 100% rate of disposal.

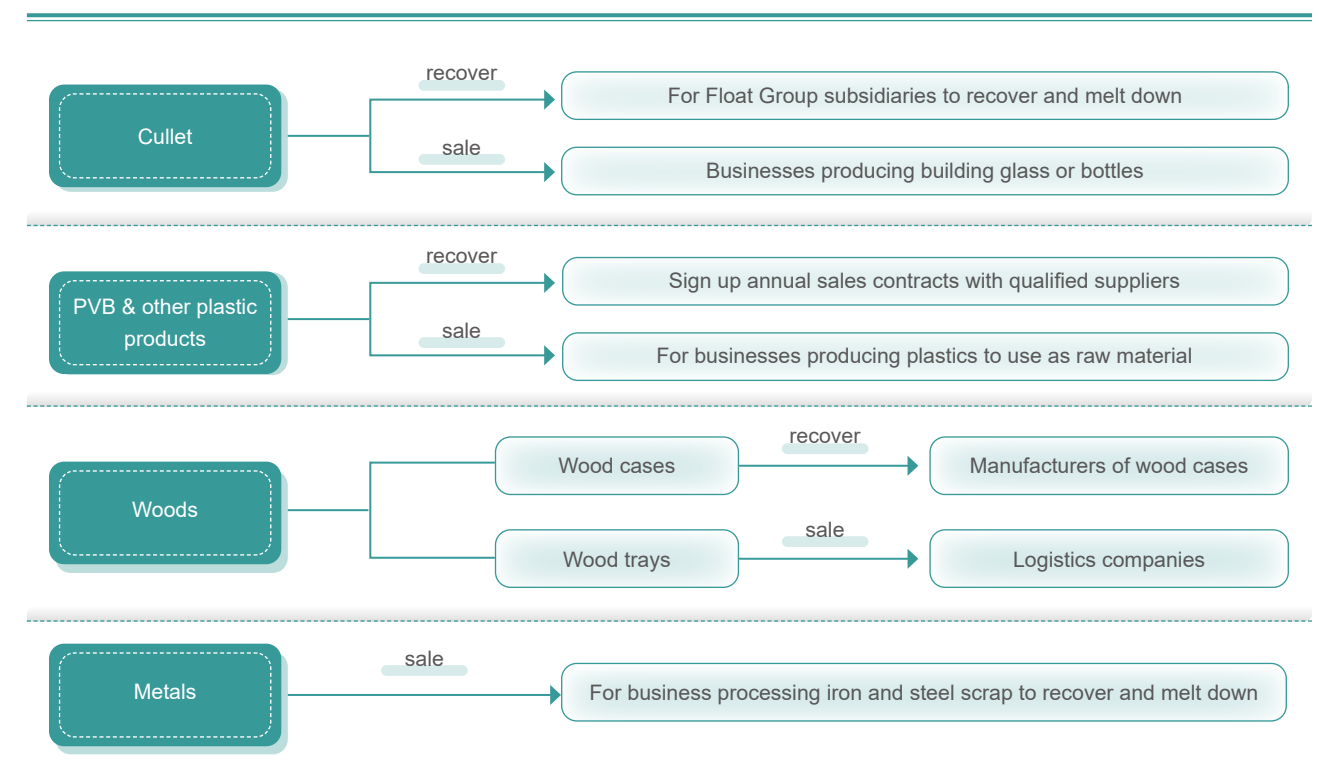
General industrial solid waste and hazardous waste were treated safely or used comprehensively, with **100%** rate of disposal.

Fuyao Group has installed denitration facilities for all its float production lines, and each set of denitration equipment is equipped with a high-efficiency dust collector, and all of them have passed the acceptance of the environmental protection department.



	Source	Emission reduction and results
Wastewater	Industrial wastewater from spraying and other production links, as well as domestic sewage of employees.	A reclaimed water treatment system was installed to reuse industrial sewage.
Waste gas	Organic waste gas produced by glass deep processing printing and drying process. Exhaust air from canteens oil fume.	Organic waste gas purification device was installed to ensure that the emission is lower than the national and local requirements. Exhaust air purification equipment was installed to ensure that disposal efficiency is over 90%.
Noise	Noise generated during the operation of production equipment such as cutting machine, washing machine, printing machine, etc.	Take targeted measures such as shock absorption, sound insulation and noise elimination in light of how noise is generated.
General industrial solid waste	General industrial solid waste includes packaging leftover pieces and bits.	Non-hazardous wastes were classified and recycled.
Hazardous waste	Hazardous wastes include liquid waste packaging containers, waste lamps, spraying waste liquid, wiping waste gauze and waste activated carbon	Warehouse for hazardous wastes was establish. Hazardous wastes were classified and stored.

### Non-hazardous waste treatment methods





Environmental targets:

- 1. Wastewater, waste gas and noise emissions are compliant with standard
- 2. Hazardous wastes are disposed legally



Total pollutant emission (2019-2020)

		Automotive glass		Float glass	
		2020	2019	2020	2019
Wastewater	Waste water (10,000 tons)	230.42	282.20	57.35	34.94
	COD (tons)	186.39	359.60	1.42	19.07
	Ammonia nitrogen (tons)	6.06	23.70	0.08	5.08
	TSS (tons)	81.08	67.90	1.42	12.99
Waste gas	SO <sub>2</sub> (tons)	0.74	0.00	718.53	909.02
	NO <sub>x</sub> (tons)	1.30	0.00	1,465.78	1,388.90
	PM (tons)	1.95	0.00	77.62	107.42
Solid waste	Total hazardous waste (tons)	1,428.33	780.46	57.76	25.84
	Density of hazardous waste	0.14 tons/10,000 sq.m. of products	0.0713 tons/10,000 sq.m. of products	0.45 tons/10,000 tons of products	0.18 tons/10,000 tons of products
	Total non-hazardous waste (tons)	108,627.32	237,212.78	1,295.34	2,127.44
	Density of non-hazardous waste	10.40 tons/10,000 sq.m. of products	21.67 tons/10,000 sq.m. of products	10.04 tons/10,000 tons of products	8.92 tons/10,000 tons of products



Case

Reducing VOCs emissions in each link through technical innovations

Organic waste gas can be discharged in the process of PU wrapping, side window spraying, spraying, etc. In recent years, opinions on stricter control of VOCs emissions from industrial enterprises are being developed by the state and many regions. In order to reduce the emission of VOCs, all subsidiaries of Fuyao Group have taken targeted measures based on their own realities, which yielded good results.

Suzhou Automotive Glass developing new screen detergent

One of the raw materials adopted by Suzhou Automotive Glass in screen washing solution is steam glass wiper are heavy aromatics. In order to reduce VOCs emission, the company has been committed to developing a solution that contains a small amount of xylene or xylene-free to replace the original one with high xylene level.

Fuqing Automotive Glass adopting inkjet printing technology

The traditional printing process involves screen washing, and the screen washing solution used contains xylene. In February 2020, Fuqing Automotive Glass adopted inkjet printing technology, which avoided screen washing, reduced the use of screen washing liquid and xylene from the source. According to statistics, the average monthly consumption of xylene is reduced by about 0.25t.



An inkjet printer

Fuyao Automotive Glass in Zhengzhou, Hubei and other regions installing photo-oxygen catalytic devices

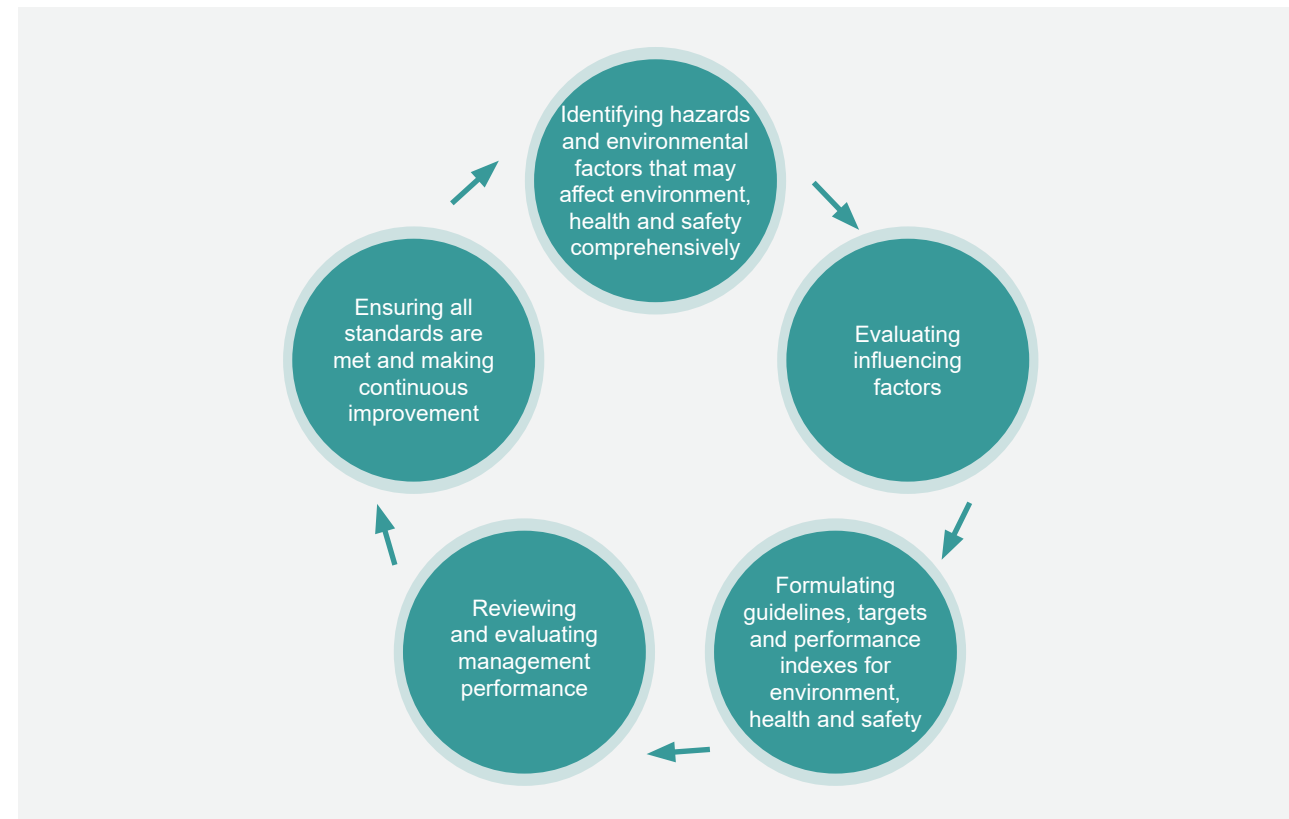
In 2020, Fuyao Automotive Glass subsidiaries in Zhengzhou, Hubei and other regions added photo-oxygen catalytic devices on the basis of activated carbon in the original waste gas treatment facilities in the printing workshop, which greatly reduced the emission of waste gases and thus reduced the emission of VOCs.



A photo-oxygen catalytic device

## Environmental risk evaluation

Based on different production processes, and in accordance with *Notice by the Ministry of Ecology and Environment of Issuing the Interim Procedures for Emergency Plan for Environmental Emergencies and State Emergency Plan for Environmental Accidents*, Fuyao Group and all its subsidiaries have formulated relevant policies and documents including *Emergency Plan for Environmental Accidents*, *Identification and Evaluation Mechanism of Environmental Hazardous Sources*, *Organizational Environmental Risks and Related Party Control Procedures Documents*, and *Manual for General Management of Environment, Safety and Energy System*, and have established a closed-loop environmental impact audit and assessment mechanism to ensure compliance with environmental, health and safety management standards and meeting the demands and expectations of all relevant parties.



Fuyao Group strictly implements the “three simultaneities” system for environmental impact assessment and environmental protection. At the initial stage of the construction project, the Company conducts an investigation on the current situation of the project environment, evaluates the regional natural endowment and ecological environmental protection requirements, and takes comprehensive considerations the possible impacts of the project and future production and operation on the ecological environment, so as to minimize the impacts on the ecological environment and biodiversity.

## Developing green products

Since the implementation of the strategy of building China’s strength in manufacturing, green products have been increasingly valued. Fuyao Group, on the strength of its own advantages, has actively responded to the call, vigorously promoted green production and investigated market needs, continuously conducted research and development of environmental protection products, increased the supply of green products, contributing to the green transformation and upgrading of the industry. In product R&D, Fuyao Group fully considers the impact of products on the climate, with lightweight glass, ultra-thin glass, coated glass, solar glass, etc. being its main R&D results, with which customers could effectively reduce fuel consumption as a result of reduced vehicle equipment weight.

### Seasonal wind glass

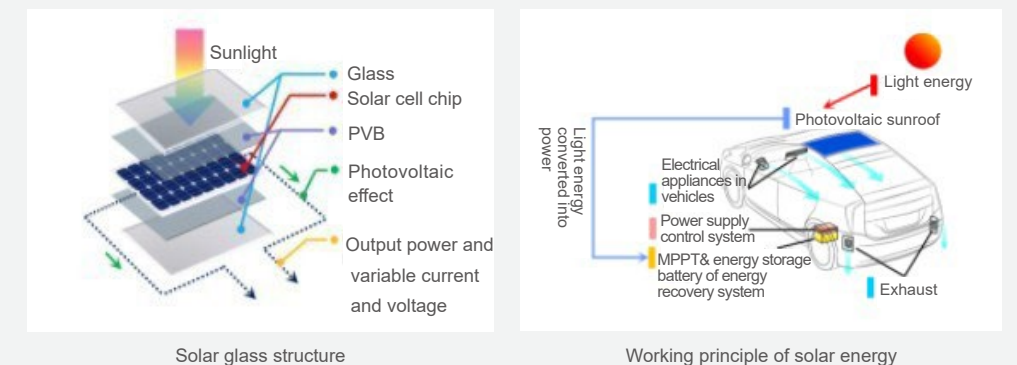
The windshield is coated with nano silver and metallic oxide film on its inner surface, equipping vehicles with extraordinary heat insulation capability, lowering solar transmission rate to a minimum of 40%. In summer, temperature in vehicles with seasonal wind glass are down by at least 7-8°C compared with that in vehicles with ordinary glass. This renders drivers and passengers with a cooling environment in hot summer days; in winter, the whole piece of glass can be heated through electrifying the metal film, with heating power reaching above 400W/m<sup>2</sup>, which saves time and effort in defrosting and defogging the glass.

### Super UV+IR cut glass

Super UV+IR cut glass uses a coating technology that covers the inner surface of the glass with ultraviolet and infrared absorption layers, so that automotive glass can insulate more than 80% of infrared rays and more than 99% of ultraviolet rays. This technology not only helps to reduce the utilization rate of air conditioners and fuel consumption by cutting heat from outside, but also mitigate the damage of sunlight does to the skin of drivers and passengers, and prevent the aging of the interiors.

### Photovoltaic sunroof

Fuyao Group combined the solar components (Heterojunction) with glasses which could automatically absorb and collect solar energy and convert into power for automotive appliances. This combination reduces fuel consumption and saves energy, contributes to environmental protection with low-carbon footprint. The photovoltaic sunroof is feature by its small thickness, low temperature coefficient and dimming function, as well as 23% conversion efficiency. A photovoltaic sunroof glass with a standard power output of 200W exposing to standard irradiation of 4 hours per day can generate 800W electricity a day.



### Lightweight glass

For tempered glass, Fuyao Group adopts special tempering process for float glass below 2.6mm, which greatly reduces the weight. For laminated glass, Fuyao Group replaced the laminated inner glass with 0.7mm ultra-thin chemically toughened glass, reducing the weight of glass and of the whole vehicle by 30% and 10kg, respectively. This has lowered the weight of the whole vehicle to 40-50kg. Lightweight glass can increase the battery range of new energy vehicles without losing its sound-insulation, thermal-insulation and high intensity functions, while providing clearer images for vehicles with HUD.



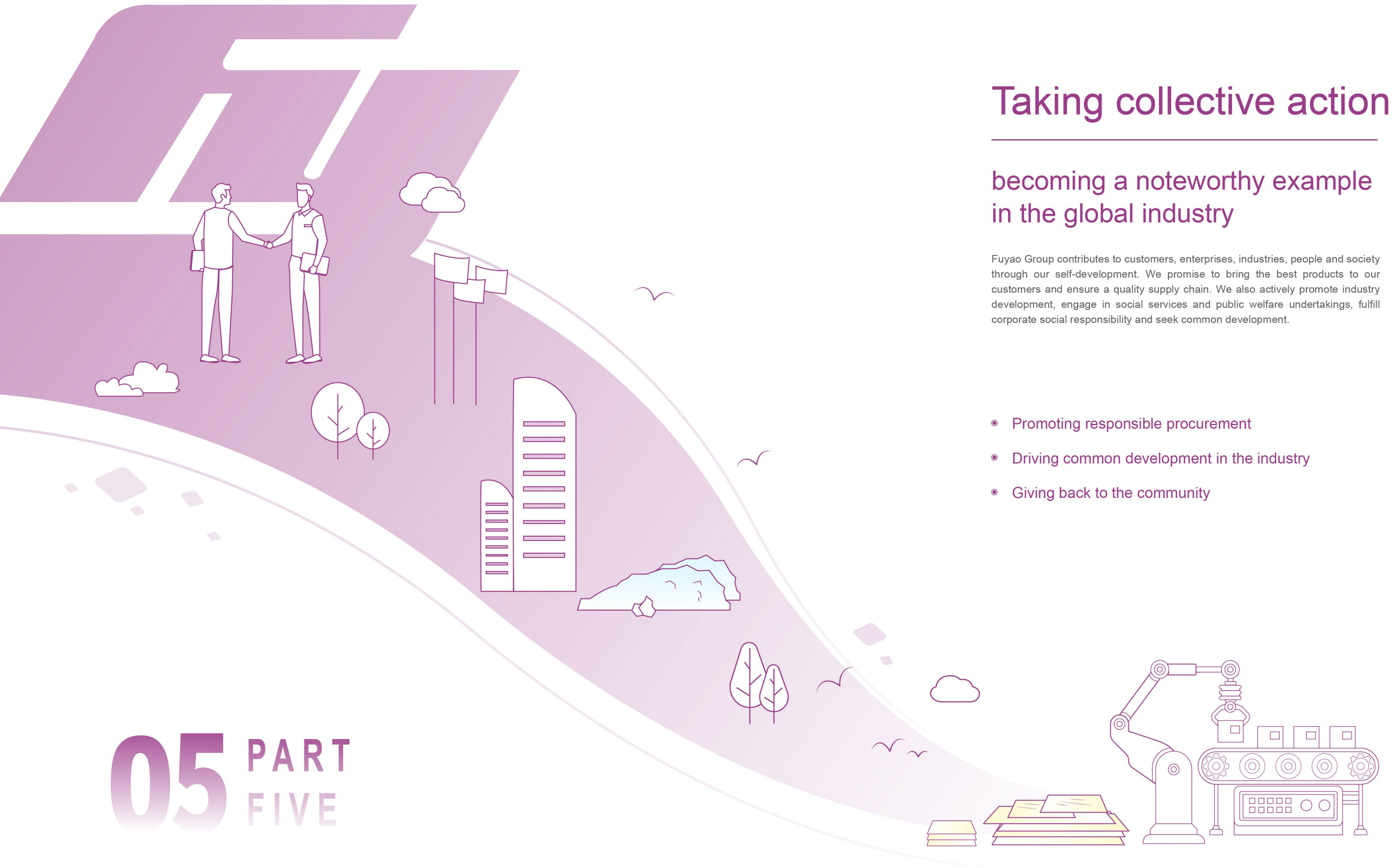
# Taking collective action

## becoming a noteworthy example in the global industry

Fuyao Group contributes to customers, enterprises, industries, people and society through our self-development. We promise to bring the best products to our customers and ensure a quality supply chain. We also actively promote industry development, engage in social services and public welfare undertakings, fulfill corporate social responsibility and seek common development.

- Promoting responsible procurement
- Driving common development in the industry
- Giving back to the community

05 PART  
FIVE



## Promoting responsible procurement

Fuyao Group is committed to becoming “a noteworthy example in the global automotive glass industry”. Our high-quality product is one of the important reasons for customers and partners to choose us, and our strict control of supply chain lays the foundation for it. We strictly control every link of the supply chain, seek to increase its stability, efficiency and quality. By doing so, we are building a sustainable procurement supply chain system that is safe, reliable and competitive on a long-term basis.

## Green procurement

To better practice corporate sustainable development and social responsibility system, we have defined our requirements of corporate social responsibility for suppliers clearly in our *Supplier Management Handbook* clearly describes, in which factors of corporate social responsibility in the process of supplier access are considered, including labor rights and interests, health and safety, environment and business ethics, etc.

Fuyao Group has established a green supply chain management system and set up a green supply chain leading team, which is responsible for formulating strategies and setting objectives, implementing decisions related to green supply chain, and guiding the Company towards transformation to sustainability. The leading team is also in charge of establishing a green procurement standard system and providing suppliers with relevant responsibility standards as described in *Supplier Code of Conduct on Social Responsibility*, information and coaching on sustainable development, and conducting audit on suppliers. In 2020, 100% of the Company's procurement personnel received the training on sustainable procurement.

In 2020, we were awarded as National Green Supply Chain Management Corporation by the Ministry of Industry and Information Technology, a symbol of our strength in green supply chain management.

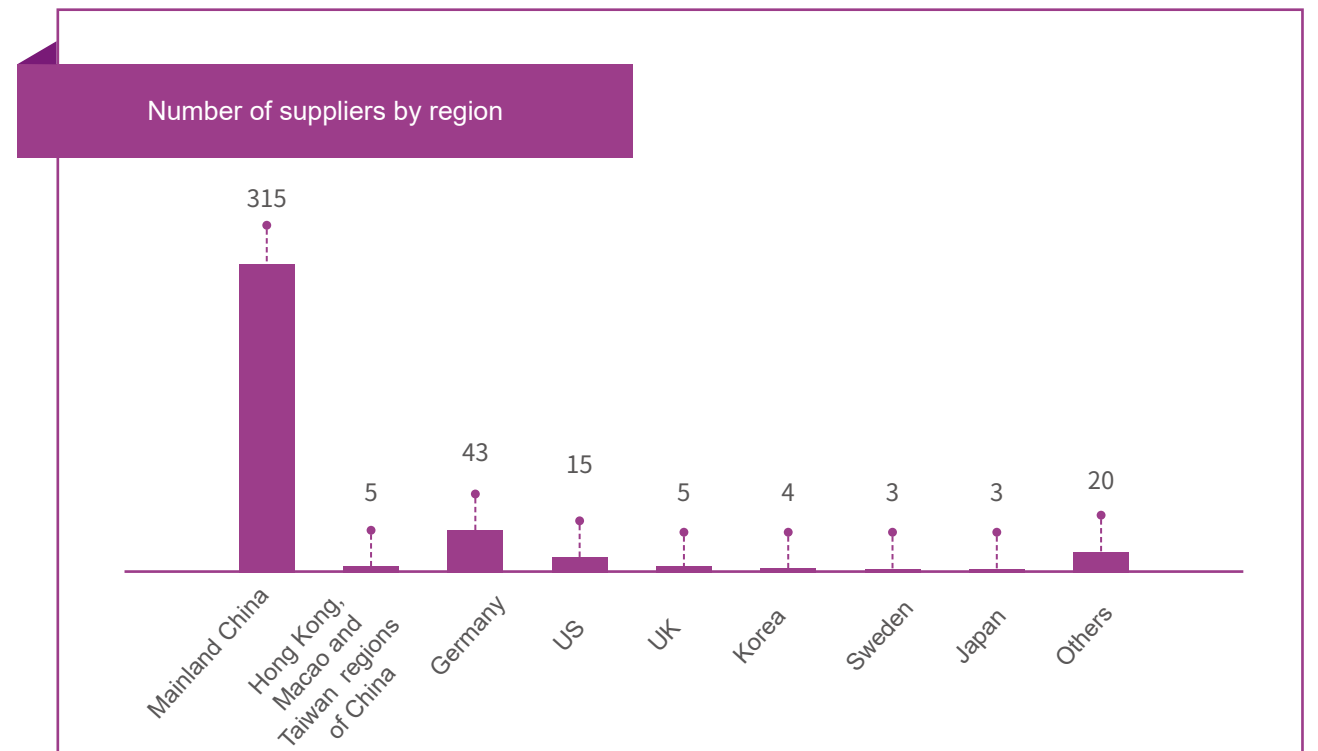
In 2020, **100%** of the Company's procurement personnel received the training on sustainable procurement.

## Supplier management

To ensure that the suppliers meet our quality requirements in all aspects, Fuyao Group has formulated *Supplier Management Handbook and Qualified Supplier Management System*, which set management requirements for our suppliers from different perspectives, such as potential supplier evaluation and access, supplier risk identification and audit, supplier evaluation and supplier coaching.

The Company evaluates potential suppliers and conducts qualification review, potential risk identification and on-site review to investigate their comprehensive capabilities, social responsibility and information security. The company has set corporate social responsibility as a threshold for the entering of material suppliers. Besides quality evaluation, the annual evaluation will also include an on-site evaluation of corporate social responsibility. Our suppliers shall meet the requirements of ISO9001 quality management system and make continuous efforts to measure up to IATF16949 technical specification. The company has formulated the *Supplier Code of Conduct on Corporate Social Responsibility*, requiring all suppliers to comply with laws and regulations in certain country, including respecting employees' rights and interests protecting the environment, not using conflict minerals, ensuring employees' occupational safety and assuming corporate social responsibility, etc. We require suppliers to conduct self-assessment on their own corporate social responsibility and provide our Supplier Social Responsibility Self-Assessment Report, ensuring that they meet our requirements for corporate social responsibility. We also suggest that suppliers sign the *Sustainable Procurement Charter and Supplier Code of Conduct* in the master supply agreement.

We will identify the suppliers that meet our requirements and include them in our list of qualified suppliers after the evaluation before taking the next step in our supplier management. During the reporting period, the signing rate of *Sustainable Procurement Charter* with our suppliers exceeds 70%.



For the purpose of ensuring suppliers' product quality and implementation of social responsibility, as well as improving our responsible procurement management, the Company has conducted supplier annual audit and formulated the *Supplier Audit Process*. The annual audit will be conducted on-site to review suppliers' capability in quality assurance, production, and the implementation of corporate social responsibility system, etc., with some annual rectification measures proposed subsequently. During the reporting period, the completion rate of on-site audit on social responsibility questionnaire has exceeded 70%. In addition, we have identified high-risk suppliers that may cause supply problems or major quality accidents in the supply chain according to the *Measures for the Administration of High-risk Suppliers* and have made the *List of High-risk Suppliers*. For such suppliers, we will propose rectification plans and conduct on-site reviews to ensure that risks are minimized.

Supplier evaluation is conducted on a monthly and annually basis. We have conducted performance evaluation on suppliers' product quality, product delivery, service, price, environment and safety requirements and corporate social responsibility, as well as took on-site audit results into consideration. After the evaluation results are obtained, we put forward instructive suggestions and excellent suppliers will be given appraisal.

We help them improve suppliers' product quality and social responsibility system based on their performance review and on-site audit results. We provide quality trainings to suppliers periodically, including quality improvement, training on management system and quality. In order to help our suppliers better understand Fuyao Group's social responsibility concept, we conducted a special training during the reporting period to help the suppliers improve their social responsibility performance.



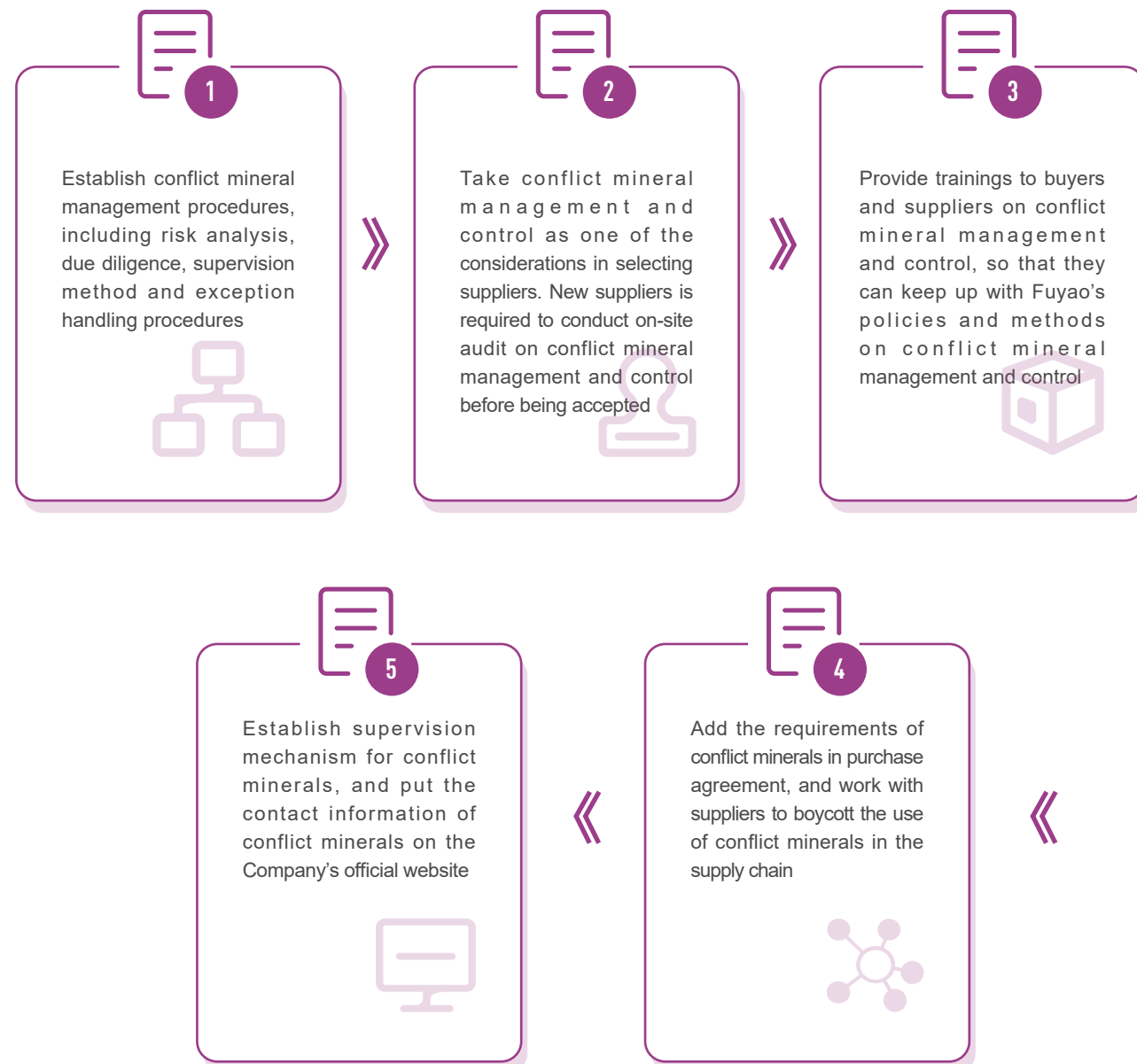
Fuyao Group's training on corporate social responsibility



## Conflict minerals management and control

In order to prevent conflict minerals, including tin, tungsten, tantalum, gold, cobalt and other metals in the Democratic Republic of Congo and other politically unstable areas, from appearing in our supply chain, Fuyao Group has formulated strict Measures for the Management of Conflict Minerals and issued a Policy Statement on Conflict Minerals Management, promising never to use conflict minerals and taking relevant prevention measures. We require our suppliers to conduct investigation and risk analysis of second-tier suppliers so as to confirm such information as the place where the materials are purchased, and fill out RMI's Conflict Minerals Questionnaire (CMRT). In 2020, 100% of our suppliers filled in and responded to the CMRT questionnaire.

### Fuyao Group's management of conflict minerals



## Driving common development in the industry

Fuyao Group always pursues to be "a noteworthy example in the global automotive glass industry". We have been pushing self-development and the development of the industry, while making our fair share of contribution.

**Case** Excellency comes from Workmanship: CARG activity

On November 13, 2020, CARG (China Automotive Replacement Glass) Automotive Glass Event was kicked off Fuqing City, Fujian Province. The event included activities such as the National Automobile Glass Installation and Repair Competition and the China Automobile Glass Industry Forum. It is the largest industry event in China's automobile glass aftermarket with the highest-level and covering a wide array of skillsets.

The National Automobile Glass Installation and Repair Competition was co-sponsored by CARG, Fuyao Group and Fujian Edow, aiming at creating a three-dimensional empowerment platform of technology, thinking and spirit for the employees of automotive glass parts, driving supply chain innovation of automotive glass parts, jointly press ahead with supply chain standardization and digitalization, and ultimately creating innovation opportunities and establishing new values.

CARG has established itself as an authoritative and the most comprehensive code system of standard product in the industry. Every piece of glass of all vehicle types has its unique standard code, which is equivalent to equipping automotive glass with a "digital ID card". And then the messy and inconsistent information of automotive glass products are integrated into a standard database, upon which a simple and convenient interactive management model was established.

As digitalization is a major trend in automotive industry, Fuyao Group has been making constant advancement in intelligent manufacturing and intelligent products, seeking to smooth the links from R&D, design, management & control, production to service, stimulating the "interconnected genes" of traditional industries with digitalization, and arranging cutting-edge technological reserves in a reasonable way. We provide customers with more diversified products, industry-leading intelligent glass, and stand as a notable example of intelligent automotive glass in global industry.

**Case** A glimpse into the future-the 3rd Digital China Summit

The 3<sup>rd</sup> Digital China Summit was held in Fuzhou, Fujian Province during October 12, 2020 to October 14, 2020, in which Fuyao Group presented for the first time its solutions for "front-installed RFID" and "front-installed ETC" for windshield in Hall 6 under the theme of "A Prosperous World and an Intelligent Future". The exhibition showcased Fuyao Group's technical strength, on the basis of its automotive glass, in automotive intelligent network application and smart transportation.

At present, Fuyao Group's R&D of vehicle antenna solution also includes hidden full-band multimode smart glass antenna and 5G repeater-based glass antenna. These cutting-edge technological results will contribute to the development of automotive intelligent network, smart transportation and smart city.

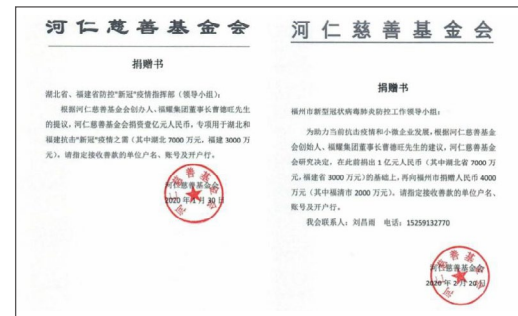
## Giving back to the community

Fuyao Group believes that one should benefit the world and be respectful and loving while achieving self-development. The Company follows the traditional Chinese business culture of "Benevolence and Benefits" and promotes social harmony.

### Fighting against Covid-19

The outbreak of Covid-19 in early 2020 affected countless Chinese people. Mr. Cho Tak Wong, Chairman of Fuyao Group and founder of Heren Charitable Foundation, kept monitoring the situation.

On January 30, Mr. Cho Tak Wong donated RMB100 million to Hubei and Fujian provinces through Heren Charitable Foundation during the Spring Festival at the first time. On February 20, Cho once again donated RMB40 million to support Fuzhou in epidemic prevention and control and help small and micro businesses to survive. Fuyao Group has also set up an anti-epidemic headquarter with Cho personally taking charge and making response decisions for more than 50 subsidiaries around the world.



When it was learned that medical supplies were more in short supply than funds in the front line of the battle against the epidemic, Fuyao Group organized an overseas procurement team to raise a total of 2.42 million set of medical materials, including masks, gloves, protective suits and goggles, with a value of RMB30 million, and shipped to China in more than ten batches from 6 February, giving full play to its advantages of being a multinational business. Fuyao Group overseas procurement team, together with Chinese embassies and consulates, airlines, Beijing, Shanghai and Fuzhou Customs, Food and Drug Administration and other institutions, have worked around the clock and overcome many difficulties in source identification, procurement, transportation capacity support, embassy official letter, emergency customs clearance, etc., to ensure that the supplies are transported to the front line of the battle without delay.



While Fuyao Group's overseas epidemic prevention materials procurement team was raising materials day and night, 31 employees of Fuyao Hubei Company were ordered to make emergency production of 1,300 sets of safety glasses for negative pressure ambulances at the peak of the Spring Festival. Finally, they not only completed their tasks on time with good quality and quantity, but none of them were infected.



After March, when the epidemic in China was controlled but gradually spread and broke out abroad, to help fight against the epidemic overseas, Cho Tak Wong purchased 2.53 million pieces of epidemic prevention materials (including masks, goggles, protective clothing, etc.) with a value of RMB10 million, which were shipped to Ohio, Oregon, Pennsylvania, Virginia, New York, Tacoma, Washington, Honolulu, Hawaii, Baden-Wurttemberg, Germany and Japanese friendship groups.

## Public welfare

Fuyao Group has engaged in public welfare undertakings for disaster relief, poverty elimination, education and culture, etc. In 2020, Fuyao Group and Chairman Cho Tak Wong donated a record amount of 1.59 billion. Since 1983, when donating RMB2,000 of desks and chairs to his hometown's alma mater for the first time, Cho Tak Wong has always committed himself to public welfare undertakings. Till now, he has donated more than RMB16 billion, covering more than 20 Chinese provinces and cities such as Tibet, Qinghai, Gansu, Guizhou, Hubei, Fujian, involving poverty alleviation, education, epidemic prevention and control, medical care, ecological culture and other fields. The total service hours of voluntary activities of the Company were 8,423 hours.

In 2015, after the CPC Central Committee called for the task to complete poverty alleviation in five years, Cho Tak Wong personally led a team to investigate villages in old revolutionary areas and poverty-stricken areas such as Hubei, Jiangxi and Fujian, and actively carried out "Helping Thousands of Villages with Thousands of Enterprises" activity. He conducted the "Joint Village Poverty Alleviation Aid" work in 32 villages of 7 counties in Fujian, Hubei and Guizhou, and consecutively subsidized RMB1 million per village for the project "The First Batch of Promoting Production for Poverty Alleviation" for three years, with a total investment of RMB90 million in 98 industrial projects in breeding and processing of agricultural products, etc. All the poor households of the 32 poverty-stricken villages got rid of poverty ahead of time, and the poverty alleviation work has laid the foundation for the industrial development of the villages.



Mr. Cho Tak Wong donating RMB1.4 billion to Fujian, Hubei and Guizhou

On September 2, 2020, the donation ceremony of Heren Charitable Foundation funding Fujian, Hubei and Guizhou was held in Fuzhou. At the ceremony, Mr. Cho Tak Wong announced that RMB900 million, RMB300 million, and RMB200 million would be donated to Fujian, Hubei and Guizhou respectively, accumulated RMB1.4 billion in total, on charitable programs such as poverty alleviation, disaster relief, medical care and education. This is another good deed of Heren Charitable Foundation to support poverty alleviation and disaster relief in the three provinces.



On the morning of September 17, the donation ceremony of Heren Charitable Foundation funding Fuqing City was held in Fuqing. At the ceremony, Mr. Cho Tak Wong announced that RMB350 million would be donated to Fuqing Hospital Phase II and Fuqing Tak Wong Middle School affiliated to Fujian Normal University. This is part of the RMB1.4 billion charitable program of Heren Charitable Foundation targeting Fujian, Hubei and Guizhou provinces. It is reported that this is the largest single donation in Fuqing history.



On November 20, at the meeting of Chinese and foreign journalists held by State Council Information Office of the People's Republic of China, four private entrepreneurs, including Cho Tak Wong, Chairman of Fuyao Group, met and exchanged views with Chinese and foreign journalists around "Helping Thousands of Villages with Thousands of Enterprises-the Private Enterprise Action of Precision Poverty Alleviation". Cho Tak Wong shared with reporters two short stories about poverty alleviation in poor villages. He believes that the cooperation between entrepreneurs and the government and the mentality of farmers for poverty alleviation played a key role in the process. He said, "Charity work is not only about donating money, but also helping others as much as you can, even a kind smile."





## Social influence

Transparency is the inherent quality of Fuyao Group, which represents not only the purity and high quality of our glass, but also the Company's pursuit of standardized governance, open and transparent financial data, legal tax paying and integrity as well as its focus on corporate social responsibility. We pursue our development with this transparent value and embrace a down-to-earth attitude so that the society can build trust in us.



Case

the documentary *American Factory*, which tell the story of Fuyao Group building factories in the US, awarding the Oscars.

*American Factory*, a documentary that truly reflects Fuyao Group's experience in investing and building factories in America, won the 92nd Oscars for Best Documentary Feature Film, which was translated into more than 30 languages and broadcast globally. Stephen Orlins, President of the National Committee on US-China Relations, said after watching it, "2,500 American families can have income due to the investment of the Chinese company in the US."



Case

Mr. Cho Tak Wong being awarded by Ohio government for his remarkable contributions

As of 2014, Fuyao Group has made a total investment of over USD1 billion in the United States and has made strategic layout in five states, making the US-based Chinese factory come under international spotlight at a time when the US-China trade relations are in tension.

On 6 January, US local time, Fuyao America announced that it would invest USD46 million in US, which is expected to increase 100 new jobs in Moraine, Montgomery county, Ohio. At this, Governor Mike DeWine sent Mr. Cho Tak Wong a letter of commendation, in which he said that Fuyao Group's investment

in the United States created a large number of employment opportunities, stimulated local economic growth and had a significant impact on the development of Miami Valley. He thanked Mr. Cho Tak Wong for his role as a "folk ambassador" in promoting the relations between Ohio and China and hoped that the success story of Fuyao Group in the state would drive more Chinese enterprises to come and invest.



Case

Mr. Cho Tak Wong attending the National Youth Entrepreneur Summit and delivering a keynote speech

The 3rd National Youth Entrepreneur Summit opened in Fuzhou on September 25. With the theme of "promoting entrepreneurship and giving play to the role of a new force", about 400 representatives of older entrepreneurs, well-known economists and young entrepreneurs from all over the country were invited to gather, exchange discussions and seek common development.

Mr. Cho Tak Wong gave a keynote speech on "the value and cultivation of entrepreneurs" at the opening ceremony. He said that an excellent entrepreneur must have the abilities for "the self-confidence in cultural, political, behavioral and ability aspects", to create value for the country and the people, and set an example for young entrepreneurs and encourage them to concentrate on corporate development and social contributions.



During the reporting period



Fuyao Group provided a total of **8,423** hours of voluntary activities for the community



with a cumulative public welfare donation of RMB **3,318,300**



a total donation of RMB **1,595,981,800** from Heren Charitable Foundation



## Vision of tomorrow

In 2020, under the severe impact of the COVID-19 epidemic, the global economy, trade and investment have suffered heavy losses. The sharp drop in global economic growth, the more global geopolitical tensions, and the financial risks aggravated by monetary measures of quantitative easing in countries have made the global economy beset with difficulties. Faced with the rigorous market circumstances, we “concentrate on foundations and strive for perfection to turn crisis into opportunity”. Actions were quickly made by all Fuyao employees, in increasing revenue and reducing expenditure, improving both quality and efficiency, expanding external market while improving internal efficiency. We made strategic breakthroughs in new markets, new customers and new technology products; we accelerated our development, adding value to, and promoting the upgrade of products; we supported the formation of the lean operation and the whole-process quality assurance system for all employees in informationized, standardized and digitalized ways, and improved customer service satisfaction; we strengthened energy conservation, emission reduction and environmental protection, promoting the sustainable, stable and coordinated corporate development; we actively participated in public welfare undertakings and took the initiative to fulfill corporate social responsibility.

In 2021, the global economy remains unclear and full of uncertainties. The credit risks, labor shortages, rising prices of production factors, etc. at macro level and the overseas epidemic that have not been effectively controlled, are the factors that will affect the Company’s development during the period. Therefore, Fuyao Group will “cautiously and optimistically carry out various tasks to make progress step by step”. We will improve rules and regulations and the overall quality of employees; we will promote the production procedures and the standardization of it, the stability of production equipment and production personnel and thus the one-time yield; we will intensify innovation, improve the process and incentive mechanism of management innovation and technological innovation, and transform innovation into productivity under the guide of the market, to promote the upgrade of Fuyao Group from a manufacturing enterprise to a technological enterprise; we will continue to implement the core values of “diligence, simplicity, learning and innovation”, improve our cultural circumstances and the “welfare construction” for our employees, to realize the common development of the Company and its employees, enhance the staff stability and consolidate the foundation for corporate development.

What doesn’t kill you only makes you stronger. Faced the challenging year of 2021, Fuyao employees will adhere to the new Fuyao culture of “remaining true to our original aspiration, being modest and prudent, seeking common ground while reserving differences, and constantly striving for self-improvement”. We will continue to absorb and cultivate high-quality talents, adopt the useful management measures and methods in 2020, and improve corporate management system. In addition, we will strengthen product innovation and development capabilities, improve customer service and promote digitalization, increase energy efficiency, build smart factories and green factories, and assume corporate social responsibility, give back to the community through public welfare undertakings. We will also enhance the quality and efficiency of the whole supply chain to ensure sustainable competence.





## Appendix

### HKEX ESG guide index

Environmental, social and governance index		Locations in the report	
The Environment	A1 Emissions	General disclosure: Information on (a)the policies; and (b)compliance with relevant laws and regulation that have a significant impact on the issuer relating to waste air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	P48-49, P56
		A1.1 The types of emissions and respective emission data	P56-59
		A1.2 Greenhouse gas emissions in total (in tons) and, where appropriate, intensity (per unit of production volume, per facility)	P55
		A1.3 Total hazardous waste produced in total (in tons) and, where appropriate, intensity (per unit of production volume, per facility)	P58
		A1.4 Total non-hazardous waste produced in total (in tons) and, where appropriate, intensity (per unit of production volume, per facility)	P58
		A1.5 Description of measures to mitigate emissions and results achieved	P55-59
		A1.6 Description of how hazardous and non-hazardous wastes are treated, reduction initiatives and results achieved	P56-59
	A2 Use of resources	General disclosure: Policies on the efficient use of resources, including energy, water and other raw materials	P50
		A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (KWH in '000s) and intensity (e.g. per unit of production volume, per facility)	P50
		A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility)	P51
		A2.3 Description of energy use efficiency initiatives and results achieved	P49-52, P55
		A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	P49&53
	A3 The environment and natural resources	A2.5 Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced	P53
		General disclosure: Policies on minimizing the issuer's significant impact on the environment and natural resources	P60
		A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	P60-61

Environmental, social and governance index		Locations in the report	
Society	B1 Employment	General disclosure: Information on: (a)the policies and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, leave, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	P35
		B1.1 Total workforce by gender, employment type, age group and geographical region	P34
		B1.2 Employee turnover rate by gender, age group and geographical region	—
	B2 Health and safety	General disclosure: Information on: (a)the policies; and (b)compliance with relevant laws and regulations that have a significant impact in the issuer relating to providing a safe working environment and protecting employee from occupational hazards	P36-38
		B2.1 Death toll and death rate due to work	—
		B2.2 Number of working days lost due to work-related injuries	—
		B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored	P36-38
	B3 Development and training	General disclosure: Policies on improving employees' knowledge and skills for fulfilling work responsibilities. Description of training activities	P39
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior and middle management, etc.)	P40
	B4 Labor standards	B3.2 The average training hours completed per employee by gender and employee category	P40
		General disclosure: Information on: (a)the policies; and (b)compliance with relevant laws and regulation that have a significant impact on the issuer relating to preventing child and forced labor	P35
		B4.1 Description of measures to review employment practices to avoid child and forced labor	P35
	B5 Supply chain management	B4.2 Description of steps taken to eliminate such practices when discovered	P35
		General disclosure: Policies on managing environmental and social risks of the supply chain	P64-65
		B5.1 Number of suppliers by geographical region	P65
	B5.2 Description of practices relating to suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	P64-65	

Environmental, social and governance index		Locations in the report	
Society	B6 Product responsibility	General disclosure: Information on: (a)the policies; and (b)compliance with relevant laws and regulation that have a significant impact on the issuer relating health and safety, advertising, labeling and privacy on products and services provided and remedies taken	P24-26, P29
		B6.1 The percentage of products sold or shipped that are recalled for safety and health reasons	P24
		B6.2 Number of products and services related complaints received and how they are dealt with	P28-29
		B6.3 Description of practices relating to observing and protecting intellectual property rights	P31
		B6.4 Description of quality assurance process and recall procedures	P24-26, P28
		B6.5 Description of consumer data protection and privacy policy, and related implementation and monitoring methods	P29
	B7 Anti-corruption	General disclosure: Information on: (a)the policies; and (b)compliance with relevant laws and regulation that have a significant impact on the issuer relating bribery, extortion, fraud and money laundering	P20
		B7.1 Number of concluded legal cases regarding corrupt practices brought against the issue or its employees during the reporting period and the outcome of the cases	P21
		B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	P20-21
	B8 Community investment	General disclosure: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	P68-70
B8.1 Focus areas of contribution (e.g. education, environment concerns, labor needs, health, culture and sport)		P68-71	
B8.2 Resources contributed (e.g. money or time) to the focus area		P71	

## Readers feedback form

Dear readers,

Thank you for reading this report. We sincerely look forward to your valuable comments on this report, so as to help us further improve our work and performance on social responsibility.

Multiple choice questions (please tick the appropriate box)

1. Who are you to the Fuyao Group?

- Government       Investor       Employee       Customer       Supplier/Contractor  
 Business partner       Community and public       Media       NGO       Others (please specify)

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

- Excellent       Good       General       Poor

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

- Excellent       Good       General       Poor

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

- Excellent       Good       General       Poor

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

- Very reasonable       Reasonable       General       Less reasonable

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

- Excellent       Good       General       Poor

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

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

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