


2023

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




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FGG 福莱特集团
FLAT GROUP



About This Report

This report is the 8th Environmental, Social and Governance (ESG) Report of Flat Glass Group Co., Ltd. ("The Company", "Flat Glass" and "Flat"), aiming to disclose the Company's concepts, well-established management methods, efforts implementation and achievements in relation to ESG issues the course of operation to investors and other stakeholders.

Basis for Preparation

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

Reporting Boundary

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

Time scope: The information published in this report is for the period from 1 January 2023 to 31 December 2023. Unless otherwise specified, the data in this report are the data during such period. Certain statements and data may be traced back to previous years as appropriate.

Source of Data

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

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

Reporting Principles

Materiality

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

Quantitative

This report disclosed key quantitative performance indicators and 3-year historical data. See the "ESG Data Performance Table" section of this report for details.

Balance








The contents of this report gave a view of the objective facts and disclosed the positive and negative information of the Company impartially.

Consistency

The statistical and disclosure methods of the same indicator in different reporting periods are consistent in this report; if there is any change in the statistical and disclosure methods, it shall be fully explained in the notes to this report, enabling the stakeholders to conduct meaningful analysis and evaluation of the development trend of the ESG performance of the Company.

About Flat Glass



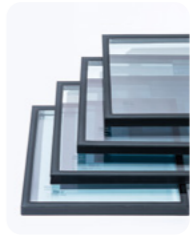
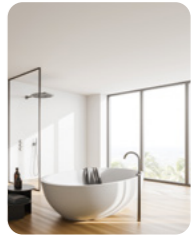
Founded in June 1998, Flat Glass is one of the world's largest manufacturers of photovoltaic (PV) glass, integrating glass research and development (R&D), manufacturing, processing and sales. Flat Glass has formed a complete industrial chain through years of R&D of the key and core technology and product iteration. The Company was listed on the Hong Kong Stock Exchange in November 2015 and on the main board of Shanghai Stock Exchange in February 2019. The Company is the first A+H listed company in Jiaxing, Zhejiang.

 <p>Year of establishment 1998</p>	 <p>Company name Flat Glass Group Co., Ltd.</p>	 <p>Ownership and legal form Listed on the Shanghai Stock Exchange (stock code: 601865) Listed on the Hong Kong Stock Exchange (stock code: 06865)</p>
 <p>Main products and businesses Four main products including PV glass, float glass, architectural glass, and household glass, as well as construction of solar PV station and quartzite mining</p>		
 <p>Principal places of operation Jiaxing of Zhejiang Province and Chuzhou of Anhui Province in China; and Haiphong in Vietnam</p>	 <p>Headquarters Jiaxing, Zhejiang, China</p>	
 <p>Flat Glass ranks 136th in the list of 2023 Global Top 500 New Energy Enterprises, jumping 17 places from 2022.</p>		

Manufacturing bases of Flat Glass

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

Main products and application areas of Flat Glass

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

ESG Performance Highlights

Economic Performance

Revenue
RMB **21,523.71** million

Net asset per share
9.45 RMB

Total profit
RMB **3,051.81** million

Social contribution value per share
2.10 RMB

Note: Social contribution value per share = (net profit attributable to ordinary shareholders of the Company excluding non-recurring items + payments to the government + employee remuneration and benefits + interests paid on borrowings to creditors including banks + amount of value (such as external donations) created for other stakeholders - other social costs caused by environmental pollution, etc.) / total number of shares of the Company.

Social Performance

Total employees
8,337

Male employees
Approximately **71.45%**

Female employees
Approximately **28.55%**

Investment in public welfare
RMB **2,306.1** thousand

Participation in volunteer activities
390 hours

Environmental Performance

Total energy consumption per unit revenue
8.97 MWh/RMB'0,000

Water consumption per unit revenue
6.04 m³/RMB'0,000

Greenhouse gas (GHG) emissions per unit revenue (Scope 1+Scope 2)
2.58 tCO₂e/RMB'0,000

Hazardous waste generated per unit revenue
0.09 kg/RMB'0,000

Non-hazardous waste generated per unit revenue
15.25 kg/RMB'0,000



ESG Management System

Flat Glass always sticks to the PV glass industry, makes breakthroughs in self-transformation and development, vigorously promotes the structural upgrading and the low-carbon process of the PV industry, and is committed to becoming a globally influential enterprise in the glass industry, and contributes to the realization of global clean energy transformation and goal of carbon neutrality.



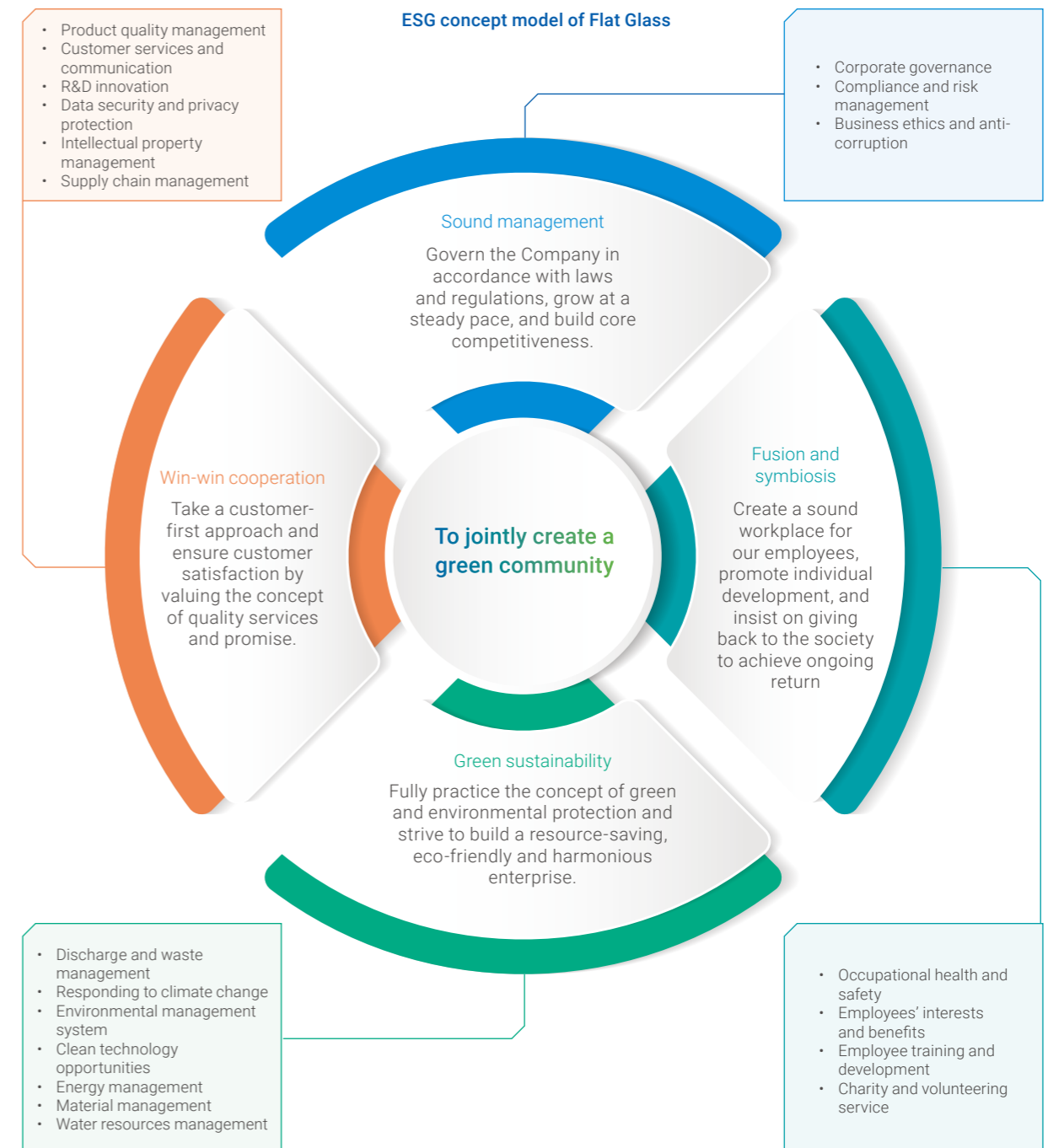
ESG Management Statement of the Board

The Company's ESG concept is embedded in its strategy and daily operations to ensure that the ESG strategy focuses on and effectively manages the environmental, social and governance risks that have a significant impact on the Company's business.

In 2023, the Company's Board of Directors and its committees reviewed ESG-related matters such as corporate governance, information disclosure, employee rights and interests, compliance and risk control, and clean technology opportunities, review the identification and sequencing results of ESG material issues of the Company, promote the implementation of ESG strategies, regularly review the progress of ESG objectives, and overall oversee ESG matters. Through the practice of energy conservation and emission reduction, efficient use of resources and other aspects, the Company enhances its own sustainable development ability, enhances the competitive advantage of the main business, and provides strong support for the long-term value growth.

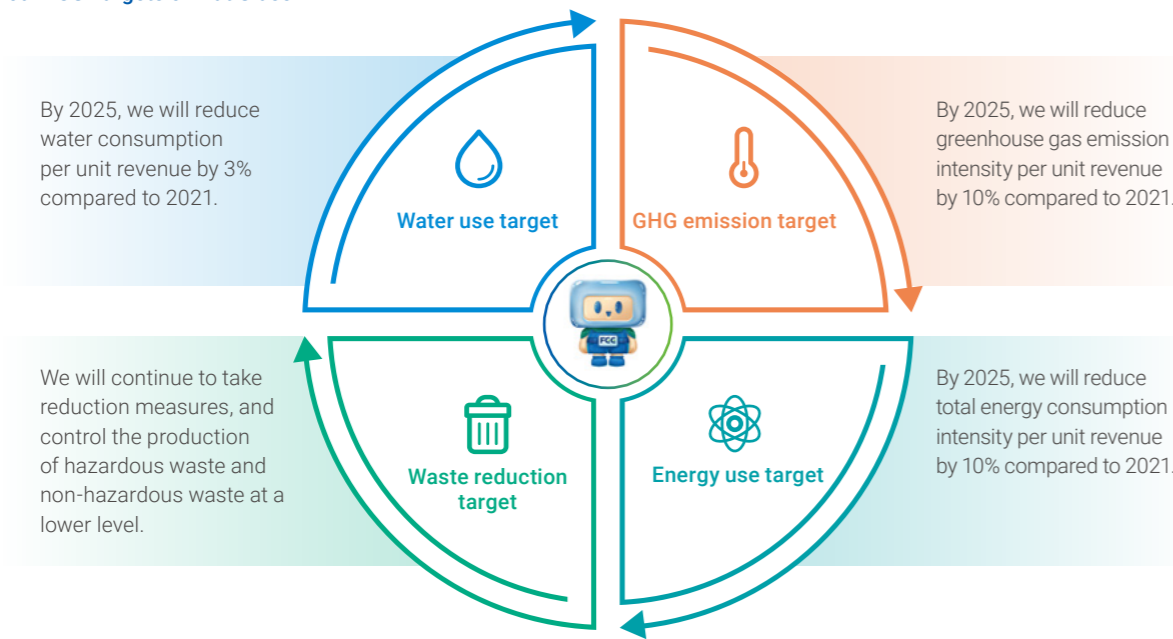
ESG Concept

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



In early 2022, the Company sorted and planned its own ESG development paths, releasing four ESG goals. Moreover, the Company deployed an internal data monitoring system to track the progress of the qualitative data on a monthly basis, analyzing the data trends for continuous improvement. In 2023, the Company steadily promoted the realization process of ESG goals by taking the measures including carbon reduction, water conservation enterprise construction, emission and waste reduction, treatment efficiency improvement.

Four ESG Targets of Flat Glass



Achievement of four targets of Flat Glass in 2023

Metric	Unit	Performance of the baseline year (2021)	Target for 2025	Achievement in 2023
Water consumption per unit revenue	m ³ /RMB'0,000	6.8	Down by 3%	6.04 (Down 11.18% compared to the baseline year)
GHG emission per unit revenue (Scope 1+Scope 2)	tCO ₂ e/RMB'0,000	2.92	Down by 10%	2.58 (Down 11.64% compared to the baseline year)
Non-hazardous waste generated per unit revenue	kg/RMB'0,000	---	Controlled at a lower level	15.25 (Achieved)
Hazardous waste generated per unit revenue	kg/RMB'0,000	---		0.09 (Achieved)
Total energy consumption per unit revenue	MWh/RMB'0,000	10.46	Down by 10%	8.97 (Down 14.24% compared to the baseline year)

ESG Management Structure

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

ESG management structure of Flat Glass



In 2023, the Company's Board and its committees considered and approved ESG-related matters including corporate governance, information disclosure, employees' interests, compliance and risk control, energy management, continuing to improve the ESG management of the Company.

Major ESG-related proposals considered by the Board and its committees in 2023






Considered by	ESG issues	Contents
Board	Corporate governance	<ul style="list-style-type: none"> Amendment to the corporate governance-related systems, including the Articles of Association Annual work report of the Board and the general manager Internal control evaluation report of the Company Proposals related to the remuneration and senior management
	Information disclosure	<ul style="list-style-type: none"> The Environmental, Social, Governance Report in 2022 covered the contents including environmental management, employee development and training, customer service and communications
	Protection of shareholders' interest	<ul style="list-style-type: none"> Profit distribution plan, etc.
	Employees' interests and benefits	<ul style="list-style-type: none"> Unlock the Restricted Share Incentive Scheme, and adjust 2021 A Share Incentive Scheme
	Energy management	<ul style="list-style-type: none"> PT Flatsolar Energy Indonesia, a wholly-owned sub-subsidiary of The Company, invested in the construction of two PV module cover glass projects with a daily melting capacity of 1,600 tons
Risk Management Committee	Compliance and risk control	<ul style="list-style-type: none"> Re-appointment of accountants and annual internal control evaluation report The Report on OFAC's Risk Control Work in 2022 and Future Work Plan of the Company, etc.
Remuneration Committee	Employees' interests and benefits	<ul style="list-style-type: none"> The Proposal on Unlocking of the Restricted Share Incentive Scheme, etc.
Strategic Development Committee	Corporate governance	<ul style="list-style-type: none"> The Company's development plan in 2023 The Company's ESG performance goals in 2023
Nomination Committee	Corporate governance	<ul style="list-style-type: none"> Add Directors, change the president of the Company, etc



Stakeholder Communication and Identification of Material Issues

Stakeholder Communication

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

Major stakeholders and communication of Flat Glass

Major stakeholders	Issues	Methods/ Channels of communication
 Shareholders and investors	<ul style="list-style-type: none"> Compliance and risk management Corporate governance Business ethics and anti-corruption 	<ul style="list-style-type: none"> Shareholders' General Meeting Information disclosure http://sns.sseinfo.com/ Receive investors for survey Attend strategy meetings/ investor presentations
 Governments and regulators	<ul style="list-style-type: none"> Compliance and risk management Business ethics and anti-corruption Responding to climate change Discharge and waste management Environmental management system 	<ul style="list-style-type: none"> Compliance complaint platform of Flat Glass Project cooperation Communication through meeting Supervision and inspection
 Customers (businesses)	<ul style="list-style-type: none"> Product quality management R&D innovation Customer service and communication Information security and privacy protection 	<ul style="list-style-type: none"> Customer satisfaction survey Customer visit Attending industry communication activities Technical supervision Safety inspection Industry-academia-research institutes collaboration Confidentiality mechanism
 Suppliers	<ul style="list-style-type: none"> Supply chain management Business ethics and anti-corruption 	<ul style="list-style-type: none"> Supplier evaluation and survey Supplier training Compliance complaint platform of Flat Group
 Employees	<ul style="list-style-type: none"> Employees' interests and benefits Employee training and development Occupational health and safety 	<ul style="list-style-type: none"> Regular meeting Employee activity Complaints and feedback Occupational disease protection

Major stakeholders	Issues	Methods/ Channels of communication
 Industry associations	<ul style="list-style-type: none"> R&D innovation Intellectual property protection 	<ul style="list-style-type: none"> Industry associations Industry-academia-research institutes collaboration Intellectual property management system Attending industry communication activities
 Community and environment	<ul style="list-style-type: none"> Charity and volunteering service Respond to climate change Discharge and Waste Management Environmental Management System Energy management Raw material management Water resources management 	<ul style="list-style-type: none"> Charity activities Volunteer service Identification of and responding to climate-related risks and opportunities Establish environmental management system Measures to conserve and utilize resources Measures to reduce the emissions of "three wastes"

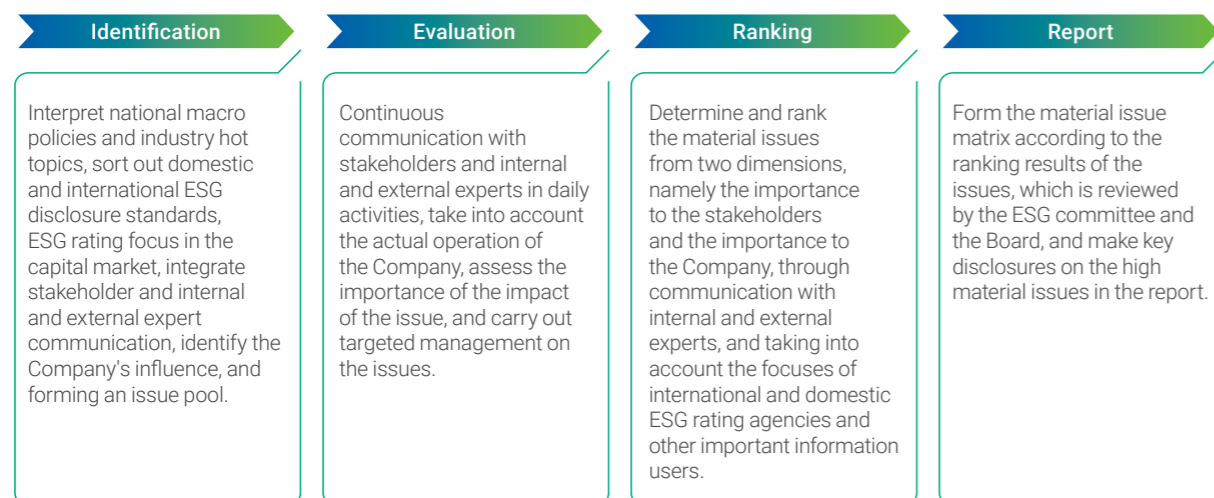
Identification of Material Issues

The Company carries out the identification, evaluation and analysis of material issues, in line with the industry development trend and its own development strategy, according to the definition process and methods for material issues set out in the Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange.

In 2023, the Company selected 20 material ESG issues for targeted management, with reference to opinions of internal and external expert team, based on the focuses of the internal and external stakeholders, policy research and capital market ESG rating focus, in accordance with the Industry Standards on Industrial Machinery and Industrial Products of the Sustainability Accounting Standards Board (SASB).

The Board reviews the results of the identification of material ESG issues to ensure that the Company's ESG strategy covers material ESG issues.

Identification process of material issues of Flat Glass in 2023



Key changes to material issues of Flat Glass in 2023

Material issues in 2022	Material issues in 2023	Changes	Reasons
Innovative R&D	R&D innovation	Changed statement	Further optimize expressions or split issues, making the names of the issues are more adaptable to the common language expression in line with the actual situation of the Company and relevant standard expressions
Data security and privacy protection	Information security and privacy protection		
Use of Resources	Energy management	Divided	
	Water resource management		
---	Raw material management	Added	Respond to international standards and rating requirements, making better disclosures of new issues, in line with actual conditions of the Company and industry trends
	Intellectual property protection		

Matrix of material issues of Flat Glass in 2023



01 ENVIRONMENTAL



Embracing a Green Future

Green is the DNA for the development of Flat Glass. As a leading enterprise in the PV glass industry, Flat Glass bravely upholds the mission of "To jointly create a green community". While we attach high importance to the management of climate risks, we also put green technology innovation and green manufacturing into practice. While we promote quality improvement and energy conservation and emission reduction, we also accelerate green and low-carbon transformation and development of the industry to assist in creating a sustainable ecosystem of the PV industry chain. We continue to contribute our Flat efforts to the green development on the earth.

Issues responded in this chapter



Responsibility Topic

Jointly Creating a Green Community with Dedication to PV

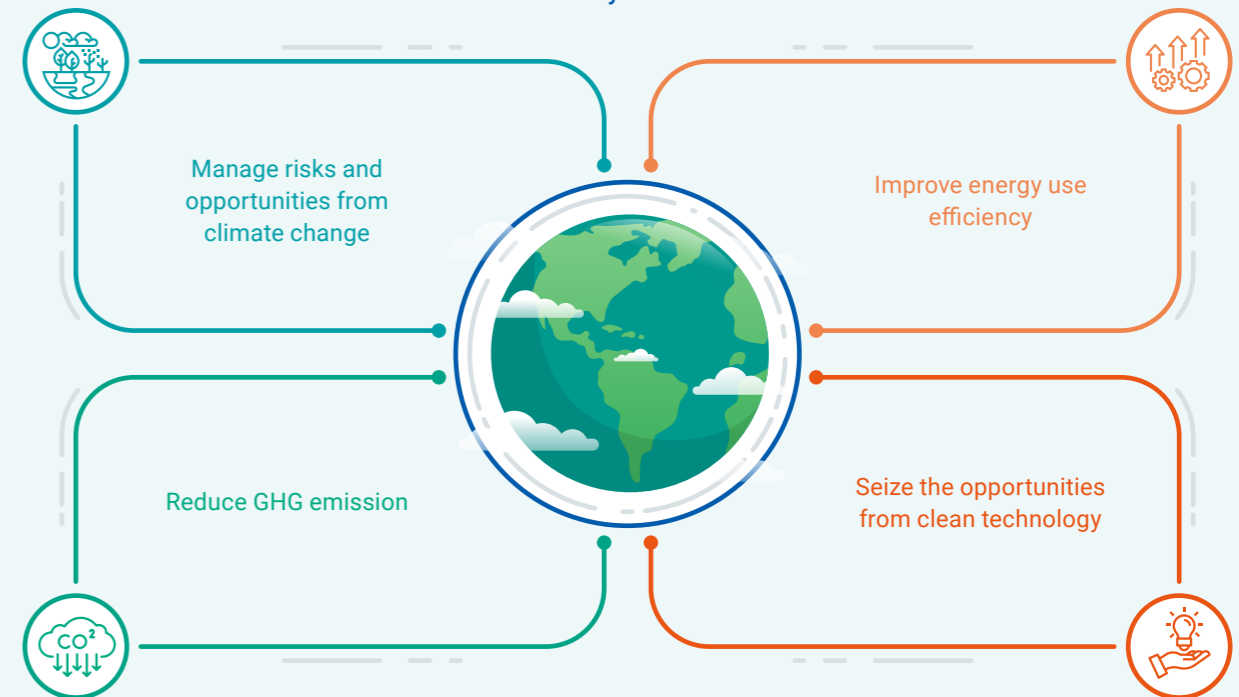


Climate change is one of the most severe environmental challenges facing the world today. In 2023, all parties to the United Nations Framework Convention on Climate Change, including China, reached an agreement at the 28th United Nations Climate Change Conference (COP28) that calls for a "transition away from fossil fuels in the energy system in a just, orderly and fair manner".

As an effective way to reduce dependence on fossil fuels, PV power generation is regarded as an important force to realize the transformation of energy structure. Flat Glass has been rooted in the PV glass industry, providing the essential auxiliary materials for crystalline silicon PV modules. Moreover, Flat Glass continues to improve the life and power generation efficiency of PV modules through innovation and technological optimization, helping to achieve a more efficient solar energy conversion.

In 2023, through dedication to PV, Flat Glass actively addressed the challenges of global sustainable development, being committed to effectively managing the risks and opportunities associated with climate change; Flat Glass monitored the carbon emissions of various emission sources through regular carbon inventory and implemented energy-saving measures to effectively reduce its carbon footprint; Flat Glass significantly improved energy efficiency by optimizing energy use processes; In addition, Flat Glass actively seized the development opportunities of clean technology to lead the creation of a green community.

Climate action system of Flat Glass



Management of risks and opportunities arising from climate changes

Flat Glass has fully bewared that climate change had become a key factor affecting corporate strategy and operations. Therefore, the management of risks and opportunities from climate change has become a major concern of green community creation of the Company.

In 2023, the Company constructed a climate change management system, with reference to the proposed framework of the International Financial Reporting Standards Sustainability Disclosure Standard No. 2 - Climate-related Disclosures (IFRS S2) by the International Sustainability Standards Board (ISSB). While effectively managing risks and capturing opportunities from climate change, the Company continued to improve management and minimize carbon footprints generated during operations.

Climate change management system of Flat Glass

Governance

- The Board monitors the management and progress of climate change issues, considers annual carbon emission reduction performance targets, and annually reviews the ESG report covering the material issue of "responding to climate change"
- The Company's ESG Committee is responsible for managing its climate risks and opportunities, developing and monitoring the implementation of a GHG emission reduction strategy, and regularly assessing the implementation of each department
- Relevant functional departments and business departments include climate change management into their daily work priorities

Strategy

- Identify the risks of climate change to the Company's operation, and comprehensively assess their potential financial impacts
- Carry out key management actions in energy conservation and emission reduction and reducing the operational environmental footprint
- Continuously quantify and monitor the Company's annual GHG emissions, and prepare the inventory

Risk management

- Identify the potential climate change risks and opportunities during operations with reference to the risk analysis framework of IFRS S2
- Gradually incorporate the risks and opportunities from climate change into the overall operational risk management of the Company
- Adhering to the principle of "energy saving and consumption reduction", the Company has formulated system documents including the "Greenhouse Gas Inventory Comprehensive Control Procedure", conducted regular carbon inventories to monitor the carbon emissions of each emission source, and implemented energy-saving measures to effectively reduce its carbon footprint
- Set GHG emission reduction goals, and reduce GHG emissions by improving energy efficiency, developing renewable energy and promoting a green economy
- Track and report the progress towards GHG emission reduction targets on a monthly basis
- Disclose absolute and intensity data on GHG emissions in the ESG report every year, so as to evaluate and monitor the management performance of the Company in response to climate change and develop an annual improvement plan

Metrics and Targets

Metric	Unit	Target	Progress in 2023
GHG emission per unit revenue (Scope 1+Scope 2)	tCO ₂ e/RMB'0,000	Down by 10% in 2025, compared to 2021 (2.92)	2.58 (Down by 11.64% from 2021)



After taking into full account the macro policies combined with the actual situation of the Company and opinions of external experts, Flat Glass proactively identifies and analyzes climate risk and opportunity factors with high probability of occurrence or high degree of impact. Then, Flat Glass assesses their financial impacts and take corresponding measures to respond to climate change.

Identification and response to climate change risks of Flat Glass

Climate change risks	Details	Countermeasures
Physical risk	Acute physical risk In the future, more extreme weather events, such as hurricanes or floods, may cause damage to the Company in terms of assets, loss of personnel and interruption of business activities.	<ul style="list-style-type: none"> • Closely monitor the occurrence of extreme weather, establish an emergency management plan for extreme weather, and timely respond to the occurrence of extreme weather.
	Chronic physical risk Long-term climate change, such as continuous high temperature, may affect the normal operation of the Company.	

Climate change risks	Details	Countermeasures
Transformation risks	Policy and law risks Climate change policies and laws will be more stringent in the future. Thus, the Company may face legal liabilities such as litigations because the current environmental management situation cannot meet the requirements.	<ul style="list-style-type: none"> Pay close attention to laws and regulations related to climate change and comply with relevant standards. Track the corresponding regulations and policies and calculate the GHG emissions every year, so as to make timely response if required.
	Technical risks During technological transformation, the development and application of energy conservation and environmental protection technologies including raw material use, waste treatment and green packaging may lead to an increase in our operating costs; The price of PV glass remains stable. In order to improve market competitiveness, it is necessary to develop new technologies to reduce its own production and operation costs, as to increase profits.	<ul style="list-style-type: none"> Engage in continuous R&D of PV glass and green products, continuously increase R&D investment, explore and create advanced and environmental-friendly technological solutions; Implement the pilot project. As the future of technology transformation is uncertain, we will select one or two business lines as the pilot projects, which, if succeeded, will be promoted throughout the Company.
	Market risks The society today continues to increase the efforts in propaganda of green environmental protection, drawing more public attention to whether an enterprise is green in its own production and operation. In this regards, consumers will prefer to buy products produced by ecological enterprises.	<ul style="list-style-type: none"> Implement the concept of green environmental protection during production and operation. Advertise the measures taken and contributions made in green environmental protection during marketing to consumers.
	Reputation risks If data and measures related to the GHG emission reduction disclosed by the Company are below the expectations of investors and customers, it will cause adverse impacts on the reputation of the Company.	<ul style="list-style-type: none"> Communicate with stakeholders the material issue of climate change through channels including ESG reports, continuously increasing the transparency of information disclosure.

Identification and response of climate change opportunities of Flat Glass

Climate change opportunities	Details	Countermeasures
Resource efficiency opportunities	Help the Company reduce costs during operations by improving efficiency in the use of resources including energy and water resources.	<ul style="list-style-type: none"> Actively adopt green office and green manufacturing measures; Promote the construction of national-level green factories; The concept of ecological and environmental protection shall be integrated in the design stage of the newly-built plants to reduce the use of resources in the construction and operation.
Energy source opportunities	Increase the use of low-emission energy/clean energy during operations, such as the adoption of PV power generation, which is conducive to address the risk of the increase in energy price in future.	
Market opportunities	Obtain relevant subsidies or incentives through responding to the government's energy saving and emission reduction plans by means of creating green factories.	
Products and services opportunities	In the context of low carbon economic transformation, there are increasing demand for green products and PV glass products from customers and consumers. This is also a new market opportunity for the Company.	

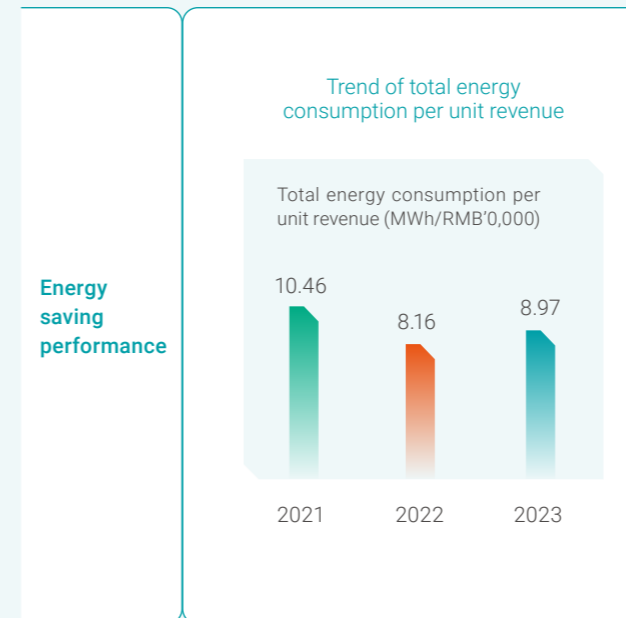
Active promotion of energy transformation

The main energy sources used by Flat Glass in production process is natural gas, fuel oil and electricity. Natural gas and fuel oil are mainly used in the combustion process of kiln, and electricity is mainly used in in the operation of production equipment.

Adhering to the principle of "energy conservation and consumption reduction", the Company has formulated the system documents including the Energy and Resource Management Procedure Document to standardize energy use methods, set energy-saving objectives, and promote the continuous deepening of energy saving and emission reduction practices through the two major paths of energy use efficiency improvement and energy structure transformation.

Major energy use efficiency improvement, transformation measures and achievements of Flat Glass in 2023

Goal	<ul style="list-style-type: none"> By 2025, we will reduce total energy consumption intensity per unit revenue by 10% compared to 2021.
Path I	<p>Energy use efficiency improvement</p> <ul style="list-style-type: none"> Reduce abnormal operation, improve operation efficiency and significantly reduce energy consumption of equipment, through strengthening equipment maintenance, timely updating management, and carrying out energy-saving transformation of some equipment; Reduce power losses through replacing high-efficiency Grade 1 transformers ; Reduce direct energy consumption through using new energy trucks; Make full use of waste heat resources and improving the efficiency of energy use through using waste heat power generation technology to convert excess heat energy in the production process into electrical energy.
Path II	<p>Energy structure transformation</p> <ul style="list-style-type: none"> Carry out roof-top distributed PV transformation of buildings in the factory area, and constructing PV power station projects. As of the end of 2023, the installed capacity of was 38.492MW, GHG emissions reduced by approximately 28,000 tons, and saving approximately 2.5 million tons of standard coal.



The Company has built a national-level green factory using a distributed PV "self-invested, self-built, self-generated and self-consumed" model. In 2023, Flat Glass and its subsidiary, Anhui Flat Solar Glass Co., Ltd., were both selected in the list of **National-level Green Factories**.

Seizing the opportunities of clean technology

In the wave of clean energy, PV, as a relatively mature technology field, is ushering in unprecedented development opportunities. Aiming at the forefront of industry transformation, Flat Glass takes clean technology innovation as the core of its strategy, devotes itself to the continuous R&D of PV glass and green products, and continuously increases its R&D investment to explore and create advanced and environmental-friendly technological solutions, so as to grasp and lead the future trend of clean technology.

PV glass market performance of Flat



Strategic cooperation with the world's **top 10** PV module manufacturers



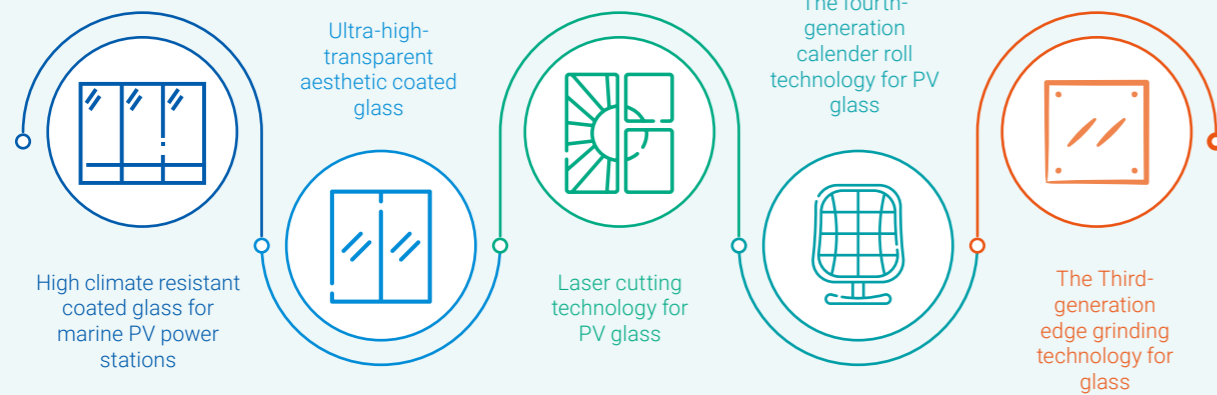
Approximately **450GW** of cumulative usage of PV glass



Approximately **1** out of every **3** PV glass modules in the world is made of Flat PV glass

In 2023, the Company improved the standardization, visualization and digitization mode of R&D, continued to increase R&D investment in PV glass, and continued to innovate in the field of advanced technology and process to improve product performance and quality.

Main achievements of PV glass R&D by Flat Glass in 2023



Changes in R&D expenses of Flat Glass

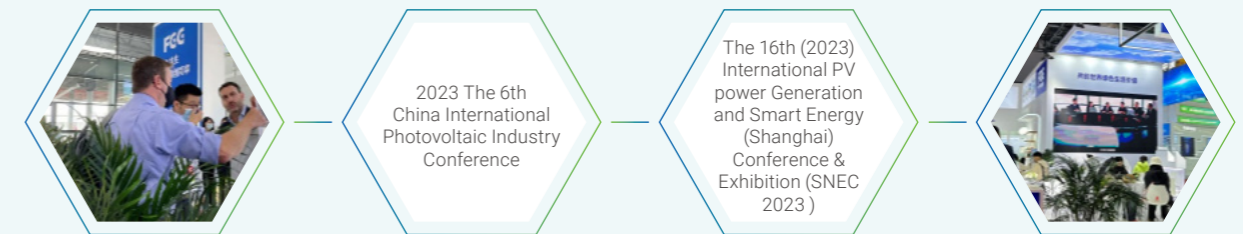
Year	R&D expenses (RMB)	Revenue (RMB)	Percentage of R&D expenses of revenue
2021	408,417,461.35	8,713,228,065.59	4.69%
2022	523,230,185.51	15,460,843,227.36	3.38%
2023	596,750,492.70	21,523,708,522.42	2.77%

Revenue from PV glass of Flat Glass and percentage

Year	Revenue from PV glass (RMB in million)	Total revenue (RMB in million)	Percentage of revenue from PV glass of revenue
2021	7,121.64	8,713.23	81.73%
2022	13,681.80	15,460.84	88.49%
2023	19,676.53	21,523.71	91.42%

As one of the earliest enterprises to enter the PV glass industry in China, Flat Glass has been actively involved in extensive communication and cooperation in the industry while deeply engaging in technological innovation. In 2023, the Company participated in PV industry conferences, exhibitions and seminars, and had in-depth exchanges with experts from academia as well as new industry players. At the conference, Flat discussed with them about the development direction of PV technology in the future and the constant empowerment of the innovation and development of the PV glass industry. In addition, the Company participated in the discussion and formulation process of industry standards, and cooperated with other industry leaders, technology experts and policy makers to contribute Flat's efforts to the healthy and sustainable development of the PV glass industry.

PV industry exchange event of Flat Glass in 2023



Industry standards developed by Flat Glass

- Light weight thermally strengthened glass (GB/T34328-2017)
- Glass for solar energy Part 1: Ultra-clear patterned glass (GB/T30984.1-2015)
- The norm of energy consumption per unit product of ultra-white patterned glass (GB30252-2013)
- Anti-reflective coated glass for PV modules (JC/T2170-2013)
- Lightweight crystalline silicon PV laminated glass (GB/T37896-2019)
- Test and evaluation methods for light transmission property of cover glass for crystalline silicon PV module (GB/T37240-2018)
- Materials for crystalline silicon PV modules Part 1: Panel glass (T/ZBH017-2020)
- Materials for crystalline silicon PV modules Part 2: Backplane glass (T/ZBH018-2020)
- General principles for green and low carbon assessment (T/CIET263-2023)
- Materials for crystalline silicon PV modules Part 3: Technical specifications for bending strength, impact resistance and surface stress of double glass PV modules (T/ZBH026-2023)
- Materials for crystalline silicon PV modules Part 4: Glass standard size (T/ZBH027-2023)

Environmental Management System

Environmental Management System

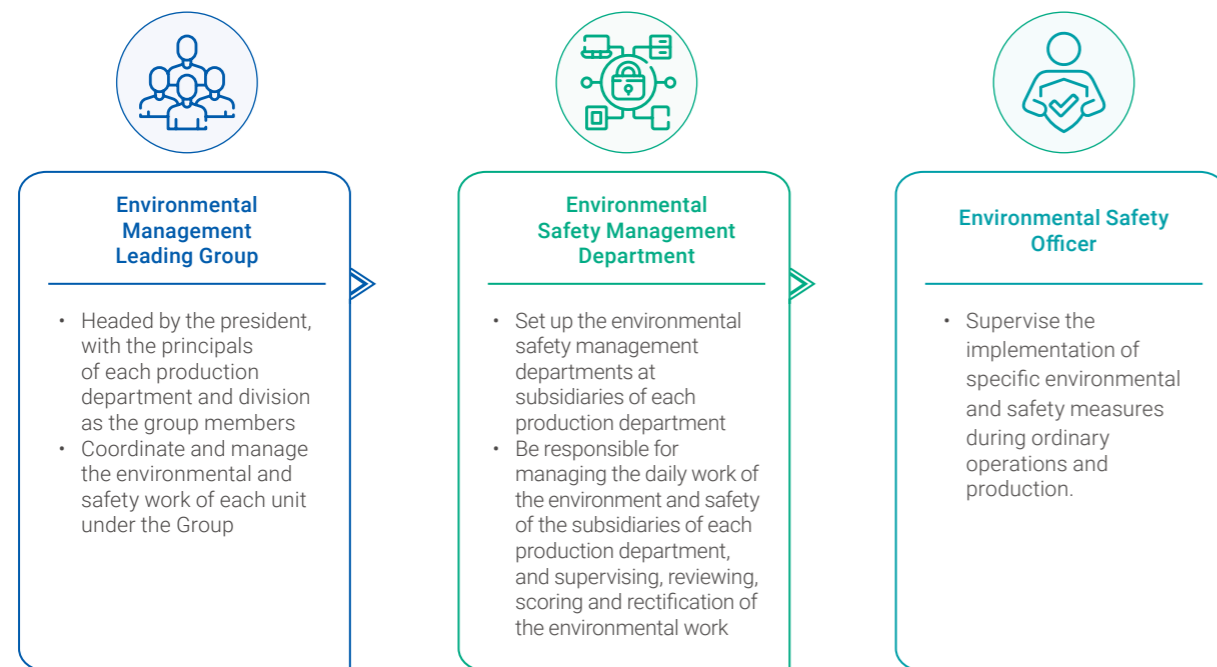
The Company has set up a comprehensive environmental management concept and internal systems including the Environmental Protection Management Provisions, so as to improve the environmental management organization system and ensure the effective promotion and implementation of the environmental management and safety work, in strict compliance with by 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 Environmental Impact Assessment. In 2023, the Company compiled the documents of the environmental management system to strengthen the systematic construction of environmental management.

In 2023, the Company paid the environmental protection related taxes in full, and there was no violation of environmental protection related laws and regulations.

Environmental management concept of Flat Glass



Environmental management organization system of Flat Glass



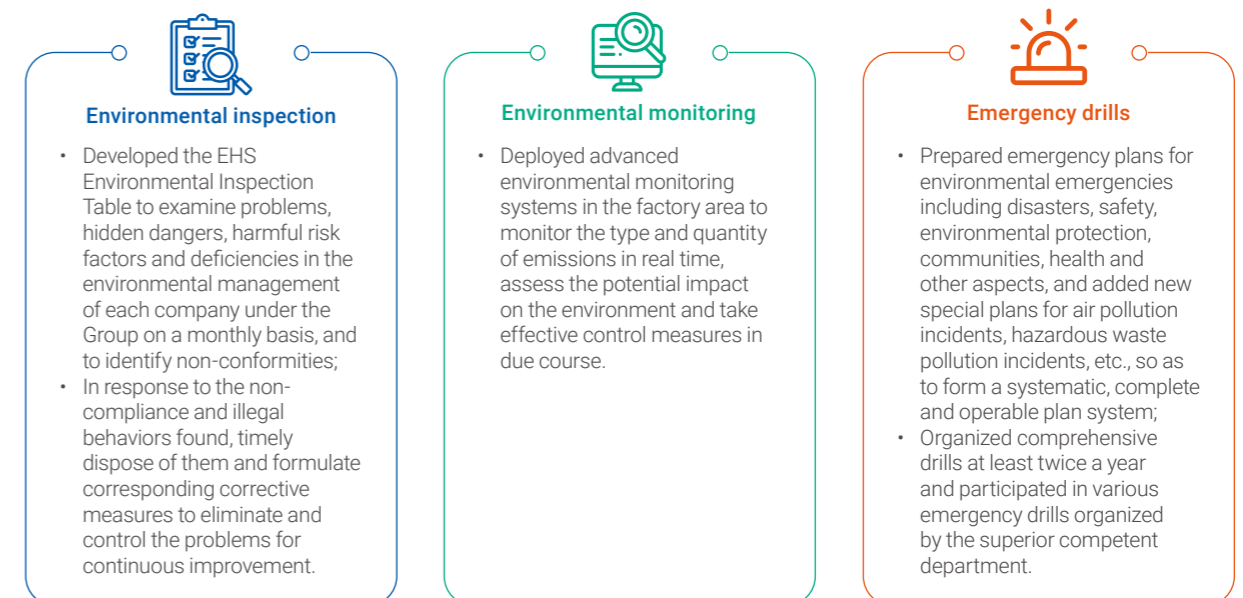
Flat Glass has established an efficiently operating value chain in the R&D, production and sales of its core business areas - PV glass, float glass, household glass and architectural glass. The Company is a production and manufacturing enterprise, and its environmental impact is mainly concentrated in the production, logistics and office operation segments of the value chain, which mainly involves energy consumption such as natural gas, electricity and water resources, as well as emissions such as GHG, waste gas, waste water and solid waste.

Environmental impact analysis of Flat Glass

Value chain	Environmental factor input	Environmental factor output
Production chain	Energy: purchased electricity, natural gas, fuel oil Water resource: municipal water supply Material: ultra-white quartz sand, soda ash, dolomite, limestone, etc.	Waste gas:SO ₂ , NO _x , PM Waste water: chemical oxygen demand (CODcr), suspended solids Non-Hazardous waste: sludge, domestic waste Hazardous waste: waste engine oil
Logistics chain	Energy: diesel consumed by freight vehicles and electric power consumed by electric vehicles Packaging	Non-Hazardous waste:packaging waste
Office operation	Energy: purchased electricity, electricity and gasoline consumed by self-owned vehicles Water resources: municipal water supply	Waste water: domestic waste water Non-Hazardous waste: domestic waste

In 2023, the Company continued to deepen and implement environmental management measures, ensure timely detection and resolution of environmental issues through environmental monitoring, environmental inspections and emergency drills, and controlled the impact of production and operational activities on the environment as far as possible.

Environmental management measures of Flat Glass in 2023



Case

Ammonia solution leakage environmental emergency response drill conducted in the headquarters industrial park

In September 2023, the Company organized an emergency drill for the "leakage of the flange at the outlet pipeline of the ammonia pump of Line 6# in the ammonia area " in the headquarters industrial park. By simulating the ammonia solution leakage accident caused by environmental equipment failure, the environmental emergency response mechanism of the industrial park was effectively tested.

Problems such as improper placement of protective supplies were identified during this drill, which contributed to the continuous improvement of environmental management in the headquarters industrial parks. Meanwhile, during this drill, the emergency response capability of employees was significantly improved, enhancing their understanding of the key handling procedures and personal protective measures in similar emergency situations.



Environmental emergency drill site for ammonia solution leakage

Certification of Flat Glass and its subsidiaries

The Company attached importance on the certification of the environmental management system. As at the end of 2023, the Company and its subsidiaries obtained the certification of ISO14001:2015 Environmental Management System, and passed supervision and reviewing with 100% coverage rate.

Name	Certificate	Valid period
Flat Glass Group Co., Ltd.	GB/T24001-2016/ISO14001:2015	2025.5.4
Anhui Flat Solar Glass Co., Ltd.	GB/T24001-2016/ISO14001:2015	2024.8.9
Zhejiang Flat Glass Co., Ltd.	GB/T24001-2016/ISO14001:2015	2025.4.13
Zhejiang Jiafu Glass Co., Ltd.	GB/T24001-2016/ISO14001:2015	2026.6.28
Flat (Vietnam) Company Limited	ISO14001:2015	2027.1.18

Optimization of Use of Resources

Raw material management

The raw materials used in the production process of Flat Glass mainly include ultra-white quartz sand, soda ash, dolomite, limestone and so on. The Company attaches great importance to the stability and quality control of raw material supply, formulates the Regulations on Raw Material and Fuel Indicator Control, establishes a strict raw material evaluation and selection mechanism, guarantees the reliability and stability of high-quality raw material sources, and creates favorable conditions for deepening the cost advantage of products.

Raw material management measures of Flat Glass



Water resource management

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

The Company attaches great importance to water use management, establishes the concept of water resources management, and continues to improve the construction of water resources management system. In 2023, the Company formulated the Water Conservation Management System and the Planned Water Use Management System. The Company also established the water resources management system with the leading group of water conservation as the core, and the collaboration of all functional departments and production divisions, to further strengthen the sustainable management of water resources.

The Company actively promotes the economical and efficient utilization of water resources, and sets water consumption targets. In 2023, the Company formulated the Water Work Plan 2023-2025 and implemented the target responsibility system. The Company has continued to standardize and normalize water resources management through taking measures including tracking and monitoring, recycling of water, and water conservation advocacy. The Company has successfully declared itself as a water conservation enterprise.

Water resource management concept of Flat Glass

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



Water target of Flat Glass

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

Water resources management measures of Flat Glass in 2023

Tracking and monitoring

- Carried out a census on the availability of measuring instruments and the management of water appliances;
- Developed water quotas and monthly track and monitor of implementation and results;
- Conducted reporting and analysis of water consumption statistics on a monthly, quarterly, and annual basis.

Cycling use of water

- Promoted water reuse and use treated production waste water and domestic waste water as cleaning water or greening water;
- Researched storm water reuse technologies and incorporate the procurement of storm water recycling devices into the program.

Advocacy for water conservation

- Actively carried out water conservation promotion activities through various forms such as blackboard newspapers, exhibition boards, and bulletin boards;
- Actively responded to the "National Water Conservation Awareness Week", popularize the knowledge of water conservation and emission reduction, and publicized advanced experiences.

Discharge and Waste Management

Waste water management

The Company's waste water mainly includes production waste water and domestic waste water, of which production waste water involves pollutants such as chemical oxygen demand (COD_{cr}) and ammonia nitrogen.

The Company strictly abides by the national and local waste water discharge standards, formulates the Waste water Discharge Management Regulations, with the target of "emissions lower than the amount permitted by the government for approval", establishes a complete waste water treatment system and a waste water monitoring mechanism, ensures that the waste water complies with the discharge standards, and strictly controls the impact of the waste water discharges on the environment. In 2023, the Company did not discharge excessive waste water.

Discharge standards and main control indicators for the discharge of waste water of Flat Glass

Emission standards for compliance	Main controlling indicators	Waste water treatment	Monitoring methods	Compliance in 2023
Integrated Waste water Discharge Standard (GB8978-1996) Indirect Emission Limits of Nitrogen and Phosphorus Pollutants from Industrial Enterprises (DB33/887-2013)	<ul style="list-style-type: none"> • Chemical oxygen demand (COD_{cr}) • Suspended solids • Ammonia nitrogen • Total silver • Total copper 	<ul style="list-style-type: none"> • Collection pool • Setting tank • Valveless filtration • Secondary filter • Clean-water reservoir 	<ul style="list-style-type: none"> • Install waste water online monitoring equipment to monitor emissions in real time • The sewage company conducts sampling monitoring three times a month • The Company hires a qualified third-party testing agency to test once a year 	<div style="border: 2px solid green; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;"> Complied </div>



Types, production chains and disposal methods of waste water of Flat Glass

Types of waste water	Production chains	Disposal methods
Waste water from soft water disposal	Waste heat boiler, cooling water	
Waste water from pure water disposal	Glass processing and silver mirror workshop	
Boiler sewage	Waste heat boiler	
Production waste water	Cooling sewage	Cooling of glass furnace, rolling forming, generator set and other equipment
	Waste water of silver mirror	Silver plating, copper plating, cleaning and spraying
	Waste water of from deep processing	Edging cleaning
Waste water from sand washing workshop	Raw material treatment	
Domestic waste water	Daily operation of administrative building, dormitory and canteen	After being treated by the separate water reuse system in the plant, 75% of the water will be reused for production, and the remaining 25% will be treated by the sewage treatment system and discharged through pipes
		After being treated by septic tank and oil separator, it will be discharged into the sewage pipe network

Waste water management measures of Flat Glass in 2023

- Approximately RMB1.32 million was invested in the development of heat exchanger anti-scaling treatment technology which maximizes the conservation of industrial cooling water and water stabilizing agents, effectively preventing equipment corrosion and scaling, and reducing environmental pollution;
- Invest in advanced equipment for desalination and reuse of high-salt water. By controlling the conductivity of reuse water through desalination, the additional burden of high-salt water reuse on the production system is reduced, waste water discharge is reduced, and the sustainability of waste water treatment is improved.

Waste gas management

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

Following the goal of "emissions below the amount permitted by the government for approval and emissions intensity below the national emission limit", the Company discharges its own generated waste gas after meeting the standards for processing, in strict compliance with the relevant national and local waste gas emission standards. Moreover, the Company regularly issues annual monitoring reports to monitor its own waste gas emissions, as well as continues to take measures to reduce its own waste gas emissions, so as to minimize the impact on the environment.

In 2023, the intensity of all types of pollutants in the waste gas emitted by the Company can reach the standard limits in the Emission Standard of Industrial Air Pollutants of Flat Glass (GB26453-2022), and the Company did not emit excessive waste gas.

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

Emission standards	Main control indicators	Monitoring methods	Compliance in 2023
Emission Standard of Industrial Air Pollutants of Flat Glass (GB26453-2022) Zhejiang Air Pollution Prevention and Control Action Plan	<ul style="list-style-type: none"> • NO_x • SO₂ • PM • VOC_s 	<ul style="list-style-type: none"> • Install online air monitoring equipment to monitor emissions in real time • Conduct third-party testing of PM every month • Conduct third-party comparative testing of SO₂, NO_x and PM every quarter • Conduct third-party testing of sulfur intensity in fuel oil regularly 	Complied

Types, production chains and disposal methods of waste gas of Flat Glass

Types of waste gas	Production chain	Disposal methods
Dust waste gas	Raw material storage, transportation, mixing, loading and unloading	High altitude discharge after bag dust removal.
Glass furnace flue gas	Fuel combustion	Integrated sulfur, dust and nitrate treatment with a ceramic filter.
Waste gas from calendering and coating	Calender coating process	The air emission after high temperature combustion is finally discharged through the chimney of high glass furnace.
Waste gas from silver mirror line	Silver mirror painting, silver mirror baking, silver plating process	After high temperature combustion treatment, it is discharged through the chimney of glass furnace.
Air emission from float line	Online coating process	After "incineration treatment + neutralization treatment by spraying NaHCO ₃ powder + treatment by bag-type dust collector", it is discharged through high exhaust funnel.

Waste gas management measures of Flat Glass in 2023

- Optimize the kiln fuel, increase the proportion of natural gas and low sulfur oil, and reduce the emission of pollutants;
- R&D of silver mirror workshop VOCs air emission treatment technology, improve the efficiency of VOCs waste gas purification, and achieve a theoretical efficiency of 99.9%;
- The kiln desulphurization, denitrification and dust removal flue system is reformed by pressurizing the induced draft fan to improve the efficiency of air emission treatment;
- Through the installation of distributed photovoltaic modules in the mode of "self-invested, self-built, self-generated and self-consumed", the annual average of self-generated power exceeds 12 million KWh, which is equivalent to a reduction of 11.64 million tons of CO₂, 360,000 tons of SO₂ and 180,000 tons of nitrogen oxides.

Waste management

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

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

In 2023, the Company did not dispose of waste in violation of regulations.

Main types, production chains and disposal methods of waste of Flat Glass

Category	Type	Production sectors	Disposal methods
Non-hazardous wastes	Dust, glass powder	Edge grinding process	Reuse for production after collection
	General sludge	Waste water reuse	After drying, the bricks shall be recycled by the building materials unit
	Waste refractory	Cold repair	Regularly entrust qualified disposal units for disposal
	Dust removal ash	Flue gas de-dusting	
	Packaging waste	Use of raw materials	
	Packaging waste	Office and staff life	Regularly entrust the sanitation department to carry out unified cleaning and handling

Category	Type	Production sectors	Disposal methods
Hazardous wastes	Waste activated carbon	Paint waste gas emission treatment	After collection, a qualified hazardous waste disposal unit is regularly entrusted for disposal
	Waste lead-acid battery	Forklift	
	Sludge containing silver and copper	Pretreatment of silver mirror waste water	
	Waste oil	Equipment maintenance	
	Hazardous waste packaging	Use of raw materials	
	Deactivated catalyst	Denitration process	

Waste management measures of Flat Glass in 2023

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

Waste management target and waste reduction performance of Flat Glass in 2023

Target: To control the hazardous and non-hazardous waste generated at a low level through continuous reduction measures.

Category	Unit	2022	2023	YoY % change over 2022
Non-hazardous wastes	Ton	26,643	32,825	23.2%
Hazardous wastes	Ton	215	190	-11.6%
Production density of non-hazardous waste	kg/RMB'0,000	17.23	15.25	-11.5%
Production density of hazardous waste	kg/RMB'0,000	0.14	0.09	-37.0%

In 2023, the Company made significant progress in the construction of "waste-free factory" and was awarded the title of "Waste-Free Cell" in Jiaying.



The title of "Waste-Free Cell" in Jiaying

02

SOCIAL



Sharing Happiness Through Cohesion

Upholding the value of "Fusion and Symbiosis, Creation and Sharing", Flat Glass advocates an equal and open working atmosphere, respects and cares for every employee, and is committed to creating a better future for Flat together with its employees.

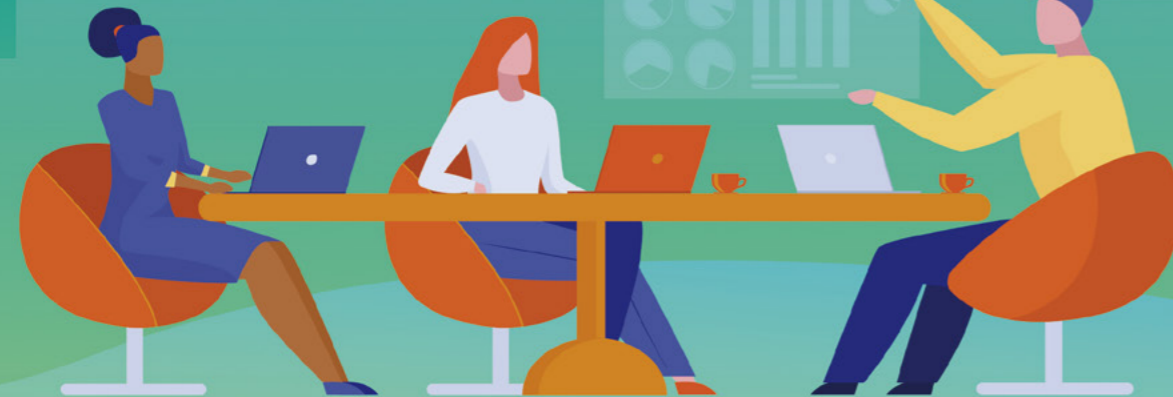
Issues responded in this Chapter

Employees' interests and benefits

Employee training and development

Occupational health and safety

Charity and volunteering service



Safeguarding Employees' Interests

Employees' interests and benefits

The Company formulates the internal labor rights and interests policies and systems including the Compilation of Human Resource Management Systems, the Measures for the Attendance and Leave Management, the Compensation Management System, Employee Rotation System, the Regulations on the Management of Continuing Education of Employees, with reference to relevant international norms including the International Labour Organization Conventions (ILO) and the United Nations Universal Declaration of Human Rights, in strict compliance with the laws and regulations including the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China. The Company respects and safeguards the interests of the employees, creates a diversified and inclusive work culture atmosphere for employees, and guards against the risks of potential infringement of the interests of the laborers during the operations of the Company.

Adhering to the principles of fairness, impartiality and openness during recruitment and employment, the Company undertakes to provide equal opportunities in recruitment, appointment, promotion, transfer and salary, etc. The Company shall not discriminate against or treat its employees based on their age, gender, birthplace, religion beliefs, marital status, and other factors, and strictly prohibits the employment of child labor or forced labor. In 2023, the Company had not found any violations such as child labor and forced labor.

In 2023, the Company recruited external talents through multi-channels including school-enterprise cooperation and online recruitment. Meanwhile, the Company established an internal employment mechanism through competition for posts and post rotation. As at the end of 2023, the Company had 8,240 permanent employees.

The Company has formulated and issued the [Statement of Labor Rights and Interests Protection Policy of Flat Glass Group Co., Ltd.](#), which covers all employees. Meanwhile, the Company has called on its suppliers and partners to comply with the Labor Rights and Interests Protection Policy, making joint efforts to safeguard the rights and interests of employees. In 2023, the Company did not find any infringement of the rights and interests of employees, and was not subject to any complaints or punishments by the regulatory authorities.

Overview of employment, basic rights and interests system of employees of Flat Glass



Recruitment management

- **Recruitment:** Adhering to fair employment, the Company shall not discriminate against or treat its employees based on their age, gender, birthplace, religion beliefs, marital status, and other factors, and strictly prohibits the employment of child labor or forced labor.
- **Dismiss:** The Company shall establish a standardized dismissal management and termination process to fully protect the legal rights and interests of employees during dismissal.
- **Compensation:** The Company shall implement fixed-post and fixed-salary management, and determine the duty allowance base and the maximum bonus base of the management cadres according to their ranks and technical titles.



Promotion and development

- The Company shall provide open and transparent promotion channels, to encourage employee to choose their suitable development paths through rotation and competition for posts.



Working hour and leave

- **Working hour:** The Company shall implement a standard working hour system, being 5 working days, 40 hours per week. The Company shall implement a comprehensive working hour system and an irregular working hour system in respect of employees in the posts of production, services, mechanical & electrical, R&D, submit the comprehensive working hours for approval in accordance with laws, and pay overtime work in accordance with the labor law.
- **Leave:** The employees shall be entitled to national holidays, marriage leave, maternity leave, paternity leave, sick leave and other paid holidays in accordance with laws. Overtime work shall be paid for days of unclaimed annual leave.

In terms of social insurance, the Company has actively implemented various employee welfare policies, with a social security payment ratio of 100%, to protect various legal interests and provided various basic subsidies such as high-temperature subsidies, traffic subsidies, communication subsidies, etc. The Company stipulates that employees who have worked for more than one year can enjoy a free physical examination every two years. The Company purchases supplementary commercial insurance for retirees, students and overseas business travelers. The Company purchases millions of medical insurance for employees who have been employed for more than one year. By the end of 2023, the number of employees covered by medical insurance per million reached 5,220, including employees themselves, spouses and children.

In 2023, the Company took specific measures to improve compensation and benefits, such as increasing employees' night-shift subsidies, upgrading the seniority subsidies, education subsidies, and mentoring subsidies, as well as improvement measures to enhance employee satisfaction, such as setting up an annual program of sports and cultural activities, based on the results of the employee satisfaction survey of the headquarters industrial park in 2022. In 2023, the Company carried out an employee satisfaction survey, which was rated at 95.38%.

Employee communications

The Company is committed to creating an open, transparent and trusting working environment and providing open communication channels to help employees better integrate into Flat family.

The Company establishes an employee communication mechanism by means of employee representative meetings, employee interviews and seminars, and regular expert lectures, etc. The Company has formulated the Notice on the Scope of Acceptance of Reasonable Suggestions and Incentives of Flat Group, so as to encourage employees to contribute their suggestions and advices for the development of the Company and promote a harmonious development of corporate labor relations. Our employees can submit their own appeals, make complaints or report through direct communication with the human resource department, or corporate email, or other channels.

The Company establishes trade union and respects all employees, who can join the trade union and participate in collective bargaining in accordance with local laws. In 2023, the coverage rate of the labor union/labor agreement entered into between the Company and its employees was 100%.

Case

Conducting a seminar for the newly-recruited college students in 2023

On 21 September 2023, Flat Glass organized a seminar for college students in order to fully mobilize the enthusiasm and initiative of college students, and to fully understand and grasp the working status of college students. 17 newly-recruited college students in 2023 participated in the seminar.



The site of the seminar for the newly-recruited college students in 2023

Caring for employees

The Company cares for the physical and mental health of employees, and enriches their amateur life and stimulates their vitality by various means including holding sports and recreational activities, and community activities. The Company cares for employees through taking various concrete measures including charity and mutual aid fund, birthday, holidays and meal allowance.

The Company recognizes and respects the diversity of employees, advocates a culture of gender equality, pays attention to the treatment and growth of female employees, ensures equal pay for equal work for men and women under equal conditions, and safeguards the benefits of female employees.

Benefits safeguard measures of female employees of Flat Glass

Measures	Contents
Safeguard by rules and regulations	The Company establishes a women's federation to improve the Five Period Protection Management System for Female, so as to provide care for female employees during the periods of menstruation, pregnancy, childbirth, breastfeeding and menopause, thus making life easier for female employees.
Festival greetings	The Company carries out Women's Day activities, offers holiday condolences, and conducts targeted interviews to understand the thoughts and personal demands of female employees.
Accommodation benefits	The Company provides dormitories to female employees, including single rooms and double rooms for couples, etc., so as to solve the problem of accommodation.
Skills training	The Company encourages female employees to participate in our daily production and construction, provides skills training, and sets up female forklift teams in each subsidiary.

Case

Flat flower arranging activity in Women's Day

On 4 March 2023, in order to celebrate the Women's Day on 8 March, enrich the amateur life of female employees, the Company held a flower arranging activity called "Poetry and Art, Blooming of Fancy". The activity was taught by a professional floral art teacher, and 70 female employees participated in the activity to learn the skills of flower arranging, feel the charm of the art of flower arranging, and spend a good time together with the fragrance of flowers and laughter.



Flat flower arranging activity in Women's Day

In order to embody our humanistic care, the Company sets up a charity fund to offer condolences and provide subsidies to employees who fall sick in hospital, have domestic difficulties, organize weddings, or hold funerals. In 2023, the Company offered condolences to approximately 478 employees through the charity fund.

Employees activities

The Company cares about the physical and mental health of employees, actively creates a happy and harmonious working atmosphere for employees, and enlivens the working atmosphere, enriches their spare time life and stimulates their vitality by various ways, such as holding sports and recreational activities, and community activities.

In 2023, the Company held various staff sports and recreational activities such as the Dragon Boat Festival, Mid-autumn Festival, theme essays and paintings, team building activities, basketball competitions.

Case

Carrying out the "May 4th" youth green sanitation volunteer activities

On 4 May 2023, the Company organized the "May Fourth" youth green sanitation volunteer activities, with over 130 volunteers participating in the cleaning of the green areas on both sides of the main roads in the Canal Park and the plant area, to give a brand new look of the appearance along the roads. Carrying forward the May 4th spirit of "unity, progress, diligence, courageous" in all respects, this activity not only created a clean and tidy environment around the plant area, but also fully improved the volunteers' awareness of environmental protection.



Site of sanitation activities on "May 4th" Youth Day

Case

Flat Glass held traditional festival activities

On 22 June 2023, the Company held the "Sharing Health and Peace at Happy Dragon Boat Festival" moon-shaped fan painting activity for the Dragon Boat Festival, in which a fan depicted a better life in each person's mind, and framed the good festival time.



Moon-shaped fan painting activity in the Dragon Boat Festival

On 23 September 2023, the Company held the activity of "Celebrating National Day and Mid-autumn Festival" to celebrate the festive through quizzes, interactive games and handmade moon rabbit lamps, etc.



Handmade moon rabbit lamps in the Mid-Autumn Festival

Case

Holding essay writing and children's painting competition themed "Flat in My Eyes".

In August 2023, in order to celebrate the 25th anniversary of the establishment of Flat Group, the Company held the essay writing and children's painting competition under the theme of "Flat in My Eyes", recording and presenting the beautiful stories of coexisting through integration and sharing through creation between Flat people and the Company. Employees and the next generation expressed their growth stories through writing and painting, expressing their good thoughts about the green PV business.



Essay writing and children's painting competition themed "Flat in My Eyes".

Case

Organizing keynote speech themed "My Story in Flat"

In November 2023, in order to celebrate the 25th anniversary of the establishment of Flat Group, the Company organized a keynote speech activity themed "My Story in Flat". The contestants focused on the theme, and expressed the heartfelt voice of Flat people through short stories with vivid language and sincere emotion, combined with their own post experience, work perception and model people around them.



Keynote speech themed "My Story in Flat"

Protecting Employees' Health

By following the 6S (Seiri, Seiton, Seiso, Seiketsu, Shitsuke and Security) management policy, the Company formulates preventive measures and emergency plans for all kinds of unexpected safety incidents that may involve employees in the workplace, and is committed to securing them a safe and comfortable workplace.

Production safety

The Company continue to improve the internal management system of safety production and optimize the safety management system, in strict compliance with the state laws and regulations related to safe production including the Law of the People's Republic of China on Work Safety, Regulations on Work Safety Permits, Regulation on the Safety Management of Hazardous Chemicals.

The Company has formulated the safety production policy of "safety first, prevention oriented, comprehensive management", to implement the production safety responsibility system, set up a production safety committee at the Group level, determine the President as principal of the Company's production safety, and establish a production safety responsibility group in each business division as the management body.

The Company implements standardized safety management, comprehensively and systematically identifies, evaluates and controls risks in safety and occupational health, formulates practical and feasible stage-by-stage safety objectives, establishes a long-term mechanism for production safety, and ensures personal safety, property safety and environmental safety. The Company has adopted guarantee measures for production safety such as ensuring investment in production safety, rectifying potential safety hazards, carrying out emergency drills, strengthening safety education and training, signing safety responsibility certificates, and carrying out regular production safety assessment.

In 2023, the Company set nine production safety objectives, including "zero fatal accidents", "zero major fire, explosion and pollution accidents" and "zero major production safety liability accidents". In 2023, the Company had no major safety production accidents, and no fatal industrial injuries.

Safety production management measures taken by Flat Glass in 2023

Safety control of production process

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

Fostering a safety production culture

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

Emergency response

- Formulate the Accident Emergency Rescue System, put in place an emergency command system and emergency plan for the emergency rescue team;
- Carry out regular safety emergency drills to find the problems existed in the emergency plan through simulating the site of accident, and continue to improve the emergency plan.

Case

Fire drill organized in the headquarters industrial park of Flat Glass

On 25 May 2023, the Company organized a fire drill in the headquarters industrial park, with 60 employees participating in various drills, such as the dormitory building fire escape drill, fire extinguisher explanation and fire extinguishing drills, and fire skills competition. Through participating such fire drill, the employees had a deeper understanding of fire safety knowledge, and improved their fire awareness and ability to use fire extinguishing equipment.

Occupational health

The main occupational disease hazards existing in the Company's workshop include noise, high temperature, dust, etc. In accordance with the laws and regulations including the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, the Company has formulated related occupational health management systems including the Regulations on Management of Labor Protective Supplies, to protect the occupational health of employees.

The Company has passed GB/T 45001-2020/ISO 45001:2018 occupational health and safety management system certification. The certification scope covers the occupational health and safety management activities related to the production process of PV glass, float glass, coated glass, silver mirror glass, insulating glass for construction, laminated glass and tempered glass located at No. 1999, Yunhe Road, Xiuzhou District, Jiaxing, Zhejiang. The coverage rate of the certification was 100%.

In 2023, the Company engaged an external professional organization to identify the occupational disease hazards in the Company's workplace. The Company ensured occupational safety and health of the employees who work on the posts exposure to occupational disease hazards, through taking various measures such as adopting technical transformation to reduce hazard sources, wearing labor protection articles, limiting daily contact time, regular physical examinations and job rotation.

Key measures of occupational disease risk prevention of Flat Glass in 2023

- Equipping with protection tools for prevention of occupational diseases**

 - According to the prevention and control requirements of the existing occupational disease risks, the Company distributed dust masks (KN95) and ear plugs to operators at each position exposure to occupational diseases according to the needs of prevention and control, and monitored the employees to use them.
- Renovation of facilities to reduce hazards**

 - Replaced high-noise equipment with low-noise equipment, and adopted vibration and noise reduction measures;
 - Conducted technological improvement for noisy positions in the workshop to reduce the adverse effects of noise on employees.
- Regular physical examinations**

 - Conducted pre-employment, in-employment, and post-employment medical examinations for positions with occupational disease hazards;
 - Organized regular medical examinations of occupational diseases for personnel on duty. In 2023, the Company organized 367 employees to undergo in-employment medical examinations of occupational diseases, with a coverage rate of 100% for medical examinations of occupational diseases.

Case

Carrying out special training on fundamentals of hazardous chemicals

On 24 November 2023, the Company conducted a special training on the fundamentals of hazardous chemicals for a total of 11 safety officers and hazardous chemical users, including the fundamentals of hazardous chemicals as well as classification, safety marking, harm of hazardous chemicals to human body, fire and explosion hazards, environmental hazards, packaging and storage and transportation of hazardous chemicals, emergency rescue of chemical accidents, which improved the safety awareness and management ability of the use of hazardous chemicals.



Training site for fundamentals of hazardous chemicals



Attaching Importance on Employee Development

The Company attaches great importance to the construction of the talent team. The Company provides vocational skills training and professional skills grade rating to employees, so as to continuously improving their expertise and skills, thus providing a clear and transparent promotion channel for their career development.

Employee training

The Company is committed to building a learning organization, which consists of a team of interdisciplinary talents who devote to their jobs, possess intelligence and virtue, in addition to their sophisticated skills and bold innovation.

The Company attaches importance to the improvement of employee training system. The Company promotes the "craftsmanship" and implements the "mentoring system", to give full play to the role of "mentoring" of outstanding backbone. Starting from both practice and thinking, the Company improves the ideological quality and professional ability of new employees through leading, mentoring and motivating new talents. These efforts ensure that employees can continue to participate in skill training, and strengthen skilled talents team of the Company. In 2023, the Company conducted a total of 1,384 trainings.

Taking employee continuing education as an important part of the employee training system, the Company has formulated the Regulations on the Management of Continuing Education of Employees and set up a special employee continuing education fund. In 2023, the Company's continuing education and training costs totaled RMB2.615 million, including education promotion, post academic training, and qualification certificate training.

Case

Training on effective communication skills

On 30 March 2023, the Company conducted a training on effective communication skills for approximately 150 people from second and third level management. The training contents include the meaning and importance of communication, the consequences of miscommunication, communication skills, workplace communication precautions, helping trainees improve their communication skills through on-site exercises.



Communication skills training site

Employee development

The Company has formulated Employee development Management System and Employee Rotation System, which provide a clarified and transparent promotion channel or the career development of employees. Through the rotation plan of the Company, the employees can participate in the rotation of echelon talents training, rotation across or within the departments of the Company, thus confirming their career orientation and development direction in the future.

The Company offers a "dual-track system" career development path featuring the coexistence of both "horizontal" and "vertical" paths to employees. According to their own actual conditions, the employees can choose a path suitable to their career development from three means, namely "vertical development, horizontal development, or integrated development". The Company sets up a promotion and assessment mechanism toward employees with excellent performance, motivating them to develop themselves through effective promotion. Finally, both of the Company and the employees are able to increase value.

In terms of employee performance assessment, the Company formulates performance assessment methods on an annual basis and revises the variable compensation system. The Company formulates annual performance assessment measures, which set the production and quality assessment objectives for each production unit as well as the production labor cost piecework standard. Moreover, the Company set assessment criteria for sales department based on unit price, quantity, remittance. The Company implements variable compensation for employees to stimulate their enthusiasm and initiative, improve their organizational performance, and increase their income. Finally, both of the Company and the employees are able to achieve a win-win situation.

Besides, the Company continues to improve the evaluation mechanism of each type of work and promote the grade rating of vocational skills in the Company, with a view to strengthening the team building of professional and technical talents. In 2023, the Company carried out the training and independent evaluation of workers of glass fiber reinforced polyester products (Grade 5) and fitters (Grade 3, 4).

Skill assessment results of Flat Glass in 2023

Categories	Results
Fitters (Grade 3)	19 qualified
Fitters (Grade 4)	5 qualified
Workers of glass fiber reinforced polyester products (Grade 5)	80 qualified

Since 2020, the Company has implemented the A Share Incentive Scheme towards middle and senior management and core technicians, covering nearly 300 employees, aiming to better motivating employees to improve working competence and increase their loyalty. In 2023, the Company unlocked 1,060,000 restricted shares that fulfilled the conditions for unlocking during the lock-up period.

Unlocking of A Share Incentive Scheme of Flat Glass in 2023

Date	Number of shares	Participants (person)	Percentage of total share capital
12 June 2023	140,000 shares	3	0.0065%
13 September 2023	920,000 shares	15	0.0391%

Build a Beautiful Community

While pursuing own development, the Company contributes Flat force to community development through giving donations to social welfare and participating in volunteering activities. In 2023, the Company donated a total of RMB2,306.1 thousand into public service activities including student aid and social care.

Case

Carrying out the theme activities of "lighting up the micro-wish to realize the dream of happiness" for achieving common prosperity through the building the Party in collaboration with other units

On 24 November 2023, the Company joined hands with 12 co-building units to carry out the activity of "lighting up the micro-wish to realize the dream of happiness" for achieving common prosperity through the building the party in collaboration with other units. These activities include cultural performances, open a common prosperity market for helping the disabled, oral examination, Chinese medicine consultation, publicity of rule of law propaganda, etc. The Company strive to making the disabled feel the care from the society and the Party while encouraging the disabled to be self-esteem, self-confidence, self-strengthening and self-reliance.

Case

Awarding student aid scholarships

In 2023, the Company held student aid scholarship awarding ceremonies in Linhuai Middle School, Fengyang Middle School, Fengyang Second Middle School in Fengyang, Anhui, awarding a total amount of RMB200,000 to total 100 students. These scholarships provide educational subsidies to the local outstanding impoverished students, alleviating the problem of "difficulties in school education and dream realization", thereby contributing to the building of a harmonious and loving society.



Case

Carrying out "love without boundaries, share happiness"charitable activities

In July 2023, the Company carried out "love without boundaries, share happiness"charitable activities. Through a series of charitable activities such as giving condolences to children of welfare institution and the elderly people living alone, sending coolness in summer. Just like as little drops of water make the river and ocean, the Company brings love and sunshine to those in need of warmth.

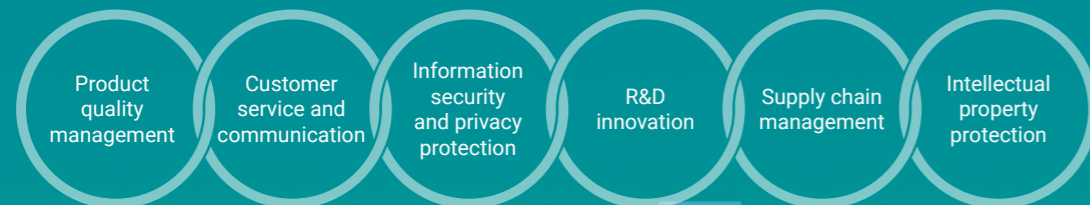


A series of charitable activities

Leading in Innovation, Craftsmanship and Quality

Practicing the ideal of meticulous management, Flat Glass strictly implements quality control measures. Insist on technological innovation, Flat Glass actively explores new technologies and processes of glass manufacturing, being committed to providing high-quality products to customers.

Issues responded in this Chapter



Meticulous Quality Control

Improving quality management system

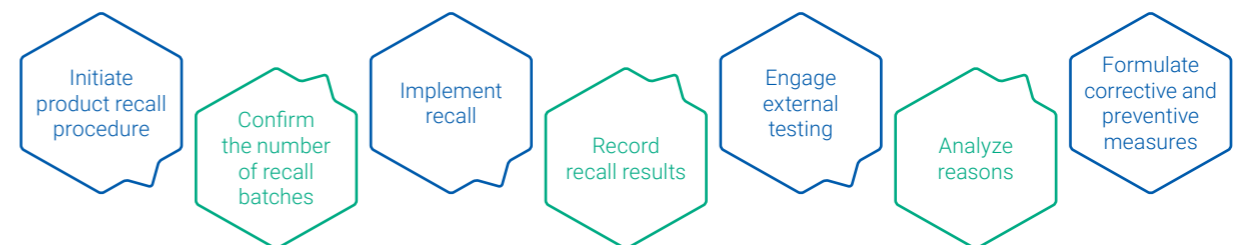
Upholding the concept of high quality development and the management direction of "quality first, quality is everyone's responsibility, the Company develops quality management system, implements management measures, conducts quality training, forming a set of stringent and improved internal quality management systems.

The Company formulates the Quality Management System and the Non-conforming Product Control Procedures, which clarify the organization structure of product quality management of the Company and refines the functions of nonconforming products. In 2023, the Company had no occurrence of product recall incidents.

Quality management organization structure of Flat Glass¹

Departments/Personnel	Responsibilities
President	The highest decision maker to recall non-conforming products
Production Department	Be responsible for taking measures for non-conforming products found in the production process, correcting the non-conforming products and doing the related work such as labeling and isolation of the non-conforming products.
Sales Department	Be responsible for customer communication and the specific implementation of the non-conforming products recall.
Quality & Technology Department	Fully implement control over the confirmation, identification, recording, isolation, review, disposal, and improvement of non-conforming products, and be responsible for the evaluation and disposal of general non-conforming products.

Product recall process of Flat Glass



Measures and results of quality management of Flat Glass in 2023

Establishment of a sound management system

- Developed system documents including Flat Glass Quality Management, Non-conforming Product Control Procedures, Regulations on the Management of Abnormal Raw PV Glass and Quality Defect Manual of PV glass of Flat Glass;
- Implemented standardized management of workshop site, developed SOPs for operation and product quality control. manufactured products in strict compliance with national and international standards on various glass products ;
- Introduced IATF16949 system management, passed GB/T19001-2016/ISO9001:2015 quality management system certification, and formulated the quality management procedure in accordance with the requirements of this certification system;

Enhanced technical supervision

- Strengthened communication with suppliers, and controlled the quality of raw materials;
- Developed internal control standards of PV glass, clarified responsibilities, and promoted implementation;
- Strengthened internal training and improved glass inspection skills.
- Evaluated the quality conditions of each production unit from six dimensions, namely finished product rate, manufacture procedure batch accidents, customer complaint rate, customer return, 8D standardization and system standardization, conducted statistical analysis of the quality conditions of the production unit per week, and tracked 8D improvement per month, so as to identify the internal quality risks as well as develop rectification and preventive measures.

Improvement of quality awareness

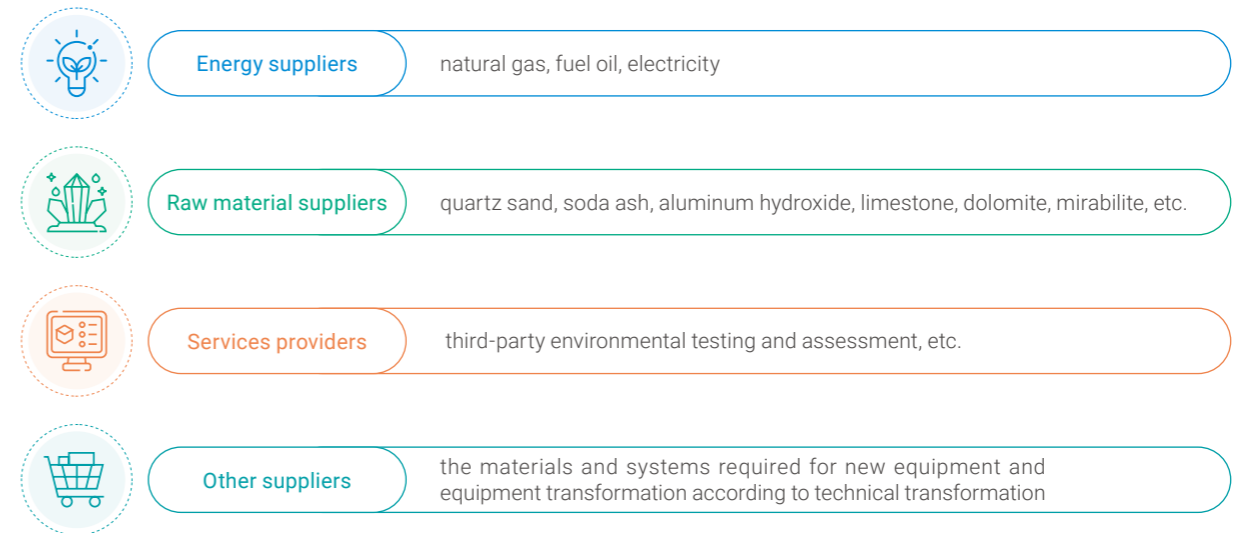
- Conducted statistical summary of product quality data by product/ category, carried out follow-up analysis in phases, and developed improvement measures ;
- Set up quality assessment targets for teams/departments, with clear rewards and penalties;
- Carried out refined management training activities, issued the truth-seeking reports per month according to the annual training plan; carried out training on quality awareness to improve employees' quality management awareness;

In 2023,

- all manufactures under the Company were certified by GB/T19001-2016/ISO 9001:2015 Quality Management System Certification, with a 100% coverage rate of quality management system certification;
- the Company's products passed PCCC certification, SPF certification, 3C certification and "Made in Zhejiang" certification; and also passed ROHS test and SVHC test.

Building a responsible supply chain

The Company establishes and continues to improve the Supplier Management Code, so as to strengthen the supply chain management, foster sustainable partnerships, and guide the suppliers to collaborate with the Company in maintaining a good business environment.



In 2023, the Company further improved its supplier evaluation system, assessed suppliers in accordance with the supplier quality system audit process, and strengthened the quality management of raw materials. In the case of suppliers with comparable product quality and price, the Company gave preference to cooperate with suppliers with better performance in social responsibility.




When selecting suppliers, the Company takes into full account of the factors including environmental and labor responsibility, and anti-corruption, and conducts an annual review of the suppliers according to Flat's supplier quality system audit process. For suppliers with poor performance in environmental and labor management, and ethics, the Company issues a rectification notice to them, and provides guidance and suggestions for this regard, and then conducts on-site review and evaluation within the specified time when necessary. For unqualified suppliers who fail the rectification after annual review, the Company will delete them from the List of Qualified Suppliers.

In 2023, the Company scored the suppliers pursuant to the Supplier Quality System Audit Checklist. The Company continued to improve the environmental and social responsibility performance of suppliers through continuous monitoring, tracking and supervising of their rectifications. In 2023, the audit pass rate of the Company's suppliers was 100%.

In addition, the Company entered into the Environmental Protection and Safety Agreement of Related Parties with the suppliers, adopting environment-friendly principle for packaging selection and logistics arrangement. The Company made efforts to build and maintain the ecological environment of the PV industry chain through more reliable, economical, green and high-quality products and services.



Requirements on environmental and social management of new suppliers of Flat Glass

 <p>Environmental responsibilities</p> <ul style="list-style-type: none"> Take measures to prevent and control environmental pollutants including waste water, waste gas, and waste; Adopt green product design to save resources as much as possible; Adopt green production to minimize the environmental impact on the production process; Save resources and recycle water resources as much as possible. 	 <p>Labour responsibilities</p> <ul style="list-style-type: none"> Prohibition of the use of child labor; Compliance with the use of underage workers; Safety and emergency measures ; Safety education and training. 	 <p>Anti-corruption</p> <ul style="list-style-type: none"> The purchase agreement shall set explicit clean governance provisions, which agreed that all parties shall operate on principles of clean and good faith.
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Requirements on environmental and social management of major suppliers of Flat Glass

 <p>Environmental responsibilities</p> <ul style="list-style-type: none"> ISO14001 environmental management system certification; Environmental assessment results; Handling waste water, waste gas and waste effectively. 	 <p>Labour responsibilities</p> <ul style="list-style-type: none"> Safety assessment and fire safety assessment; Employee occupational health and safety guarantee ; Safety education and training.
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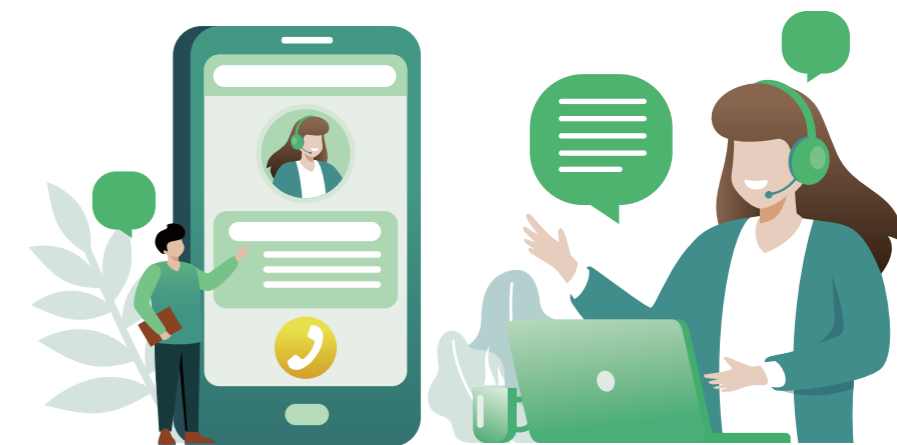
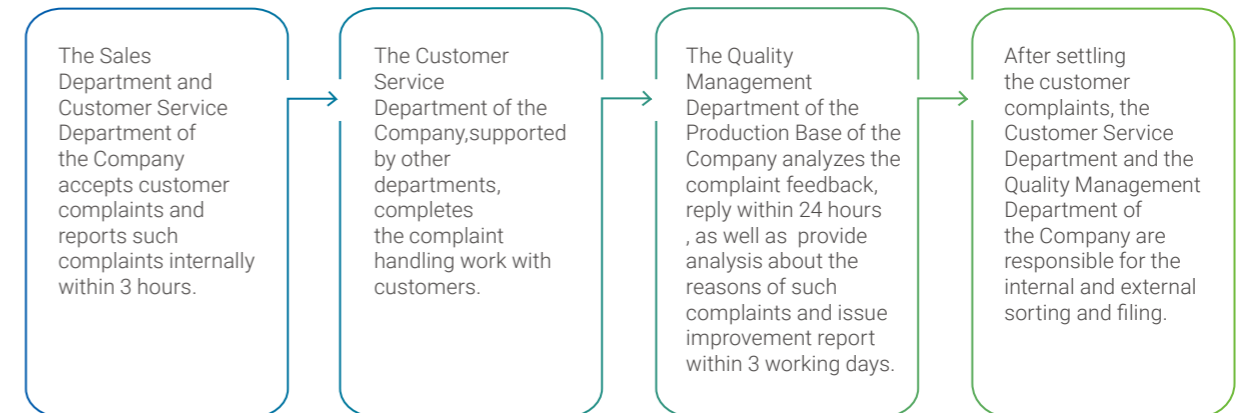
Focus on Customer Needs

Improving customer service

Upholding the "customer-first" service principle, the Company formulates system documents including the Customer Service Management Specification, the Customer Satisfaction Supervision and Measurement Control Procedure, and the Specification on the Management of Customer Complaint-based Logistics Return pursuant to the laws and regulations such as the Anti-monopoly Law of the People's Republic of China, the Anti-unfair Competition Law of the People's Republic of China, the Product Quality Law of the People's Republic of China, the Price Law of the People's Republic of China, and the Advertising Law of the People's Republic of China, so as to establish an improved customer service system and complaint feedback processing channel, and continuously improve customer satisfaction.

Customer communication is the key to improve customer service. While presenting product information, the Company maintains active communications with customers to understand their needs. The Sales Department of the Company is responsible for contacting customers to determine their needs, handle their complaints and gauge of customers satisfaction.

Customer complaint handling procedure of Flat Glass



Major customer communications of Flat Glass in 2023

Customer visit and product promotion

01



Through customer visit and targeted new product promotion activities, more customers were able to understand the related products of the Company and help the Company understand and grasp customer needs.

- Carried out over 500 customer exchange meetings;
- Quarterly business review;
- Participate in customer's ESG training.



Exchanges among industries

02



Through participating in activities including professional technical seminars, standard workshops and exhibitions, the Company presented our technical expertise strength, and fostered our own brand while understanding the industry development trends.

- Participated in 6 exhibitions;
- Participated in the 6th China International PV Industry Conference.



Customer satisfaction survey

- Conducted a customer satisfaction survey covering customers as a whole. The Satisfaction Questionnaire covers product quality, price, post-sales service, delivery date/plan, adaptability, R&D capability, etc.
- According to the customer satisfaction survey and result analysis, the Company carried out promotion and improvement work through enhancing customer loyalty with high-quality customer service.



Complaint settlement rate and customer satisfaction rate of Flat Glass in 2023

The Company's complaint settlement rate
100%

Customer satisfaction rate of PV Glass Business Department
97.32%

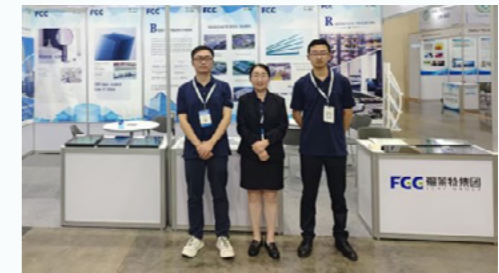
Customer satisfaction rate of Headquarters Industrial Park
97.8%

Case

Flat Glass participated in Glasstech Asia

On 29 November 2023, Flat Glass participated in Glasstech Asia, which is the largest glass exhibition in Southeast Asia, enjoying the reputation of "Southeast Asia Glass Center".

Through participation in the exhibition, the Company understood the industry development and prevailing market demand, boosted the our corporate popularity in the Southeast Asian market, thereby laying a good foundation for our expansion into the Southeast Asian market.



Flat Glass Participated in Glasstech Asia

Information security and privacy protection

The Company formulates the internal confidentiality systems including the Information Security Management System, pursuant to the laws and regulations including the Cybersecurity Law of the People's Republic of China, Data Security Law of the People's Republic of China, Personal Information Protection Law of the People's Republic of China, Advertising Law of the People's Republic of China, Regulations on Security Protection of Computer Information Systems of the People's Republic of China, Regulations on the Administration of the Credit Investigation Industry, Administrative Measures for Internet Information Services, Regulations on the Promotion of the Digital Economy of Zhejiang. The Company strictly manages information, clarifies the way of punishment for divulging the secret, so as to ensure the information security to the greatest extent.

The Company attaches importance to information security and privacy protection, implementing access authorization management of information systems, documents, contracts, technical data, design drawings, etc. involving business secret. In 2023, the Company carried out special audit on execution of information confidentiality of key employees and authorization of key information systems.

Meanwhile, the Company sets up confidentiality provisions in the contracts entered into with customers, so as to fully respect customers' privacy and protect customers' legitimate rights and interests. Through "Flat Glass Sales & Transportation All-in-one CRM Platform", the Company carries out customer service management and establishes database and reasonable authorization mechanism, so as to ensure the accuracy and security of information.

In 2023, the Company had no occurrence of violations or any litigation confirmed in respect of information security and customer privacy protection.

Responsible marketing

The Company values own brand image, corporate profile, sales policies, and the technical documents, which are subject to each specification table of the Company but not involving the use of product labels. The Company conducts training on marketing personnel, ensuring them to provide customers with clear and accurate product information during product promotion. During product promotion, the Company does not occur exaggerate presentation or publicity.

In 2023, the Company did not find any product and service information and logo violations or violations of regulations on marketing publicity.

Development Driven by Innovation

R&D innovation

Upholding the operating direction of "pursuing development through improvement", the Company integrates the concept of innovation featuring "thinking innovation, knowledge innovation and technological innovation" into corporate culture, gradually improving the building of R&D system.

In 2023, the Company improved the organizational structure of the R&D Center through perfecting each business division and each R&D Department under each of subsidiaries, and refining the functions and responsibilities of each R&D Department. Meanwhile, the Company further updated and improved the R&D project management process, set up the R&D project review panel and optimized the project approval process.

R&D system construction at Flat Glass



- Build the organizational structure of R&D Center, R&D department and special R&D team, improve project process management, build performance assessment and innovation incentive system, talent echelon building system, etc.

R&D project management process



- Enlarge R&D team, and expand channels to introduce talents through internal selection and external recruitment ;
- Reserve R&D talents through actively carrying out long-term industry-academia-research institutes collaboration projects.



- Improve the cultivation and incentive mechanism of the Company, increase investment of education funds in talents cultivation, strengthen the incentive and reward measures of R&D personnel, and encourage R&D work, according to the management systems including Measures for the Administration of Awards Regarding New Product R&D Innovation and the Measures for the Administration of Internal Title Assessment.

In 2023, the Company developed many new products including high climate resistant coated glass for marine PV power stations, ultra-high-transparent aesthetic coated glass, neutral gray architectural coated glass and aluminum mirror. Meanwhile, the Company also researched and developed many new technologies including PV glass laser cutting technology, the fourth-generation PV glass calender roll technology, the third-generation glass edge grinding technology, and kiln furnaces heat preservation technology.

The Company participates in the formulation of multiple national and industry standards. In 2023, the Company participated in the drafting of the General Rules on Evaluation of Green Low Carbon Products, contributing to the standardization of the industry.

Attaching importance on industry-academia-research institutes collaboration, the Company has successively signed enterprise-academia cooperation agreements with more than 10 colleges and universities including Sichuan University, China University of Mining and Technology, Jiaying Research Institute of Zhejiang University, Jiaying Technician College, Bengbu University School of Materials and Chemical Engineering, Yunnan Land And Resources Vocational College, Jiaying Nanhu University, aiming to establishing long-term partnership and continuing to deepen the industry-academia integration.

In 2023, Flat Glass was honored with "China Photovoltaic 20-Year Innovation Pioneer Award". Leveraging its excellent industrial strength and technological innovation ability, the Company was successfully selected into the list of the first batch of enterprises for "Eagle Action" in Zhejiang.



Intellectual property protection

In compliance with relevant laws and regulations including the Patent Law of the People's Republic of China and the Trademark Law of the People's Republic of China, the Company establishes the management systems including the Measures for Intellectual Property Management, which sets out detailed regulations on the management, use and protection of intellectual property rights, such as patents, trademarks and copyrights, so as to safeguard its own intellectual property rights, technical secrets, trademark rights, business secrets and copyrights in accordance with laws, while respecting and avoiding infringement of others' intellectual property rights.

In 2023, the Company had no occurrence of illegal incidents or violations in respect of intellectual property protection.

Grant of patents of Flat Glass in 2023

Categories	Added in 2023	Cumulative as at the end of 2023
Invention patent	4	16
Utility model patent	18	197

03

GOVERNANCE



Pursing the Strongest through Sound Operation

In strict compliance with laws and regulation, Flat Glass successfully ensures the sound operation and development of the Company, through consolidating governance foundation and deepening risk management, by adhering to compliance operation and business ethics.

Issues responded in this Chapter

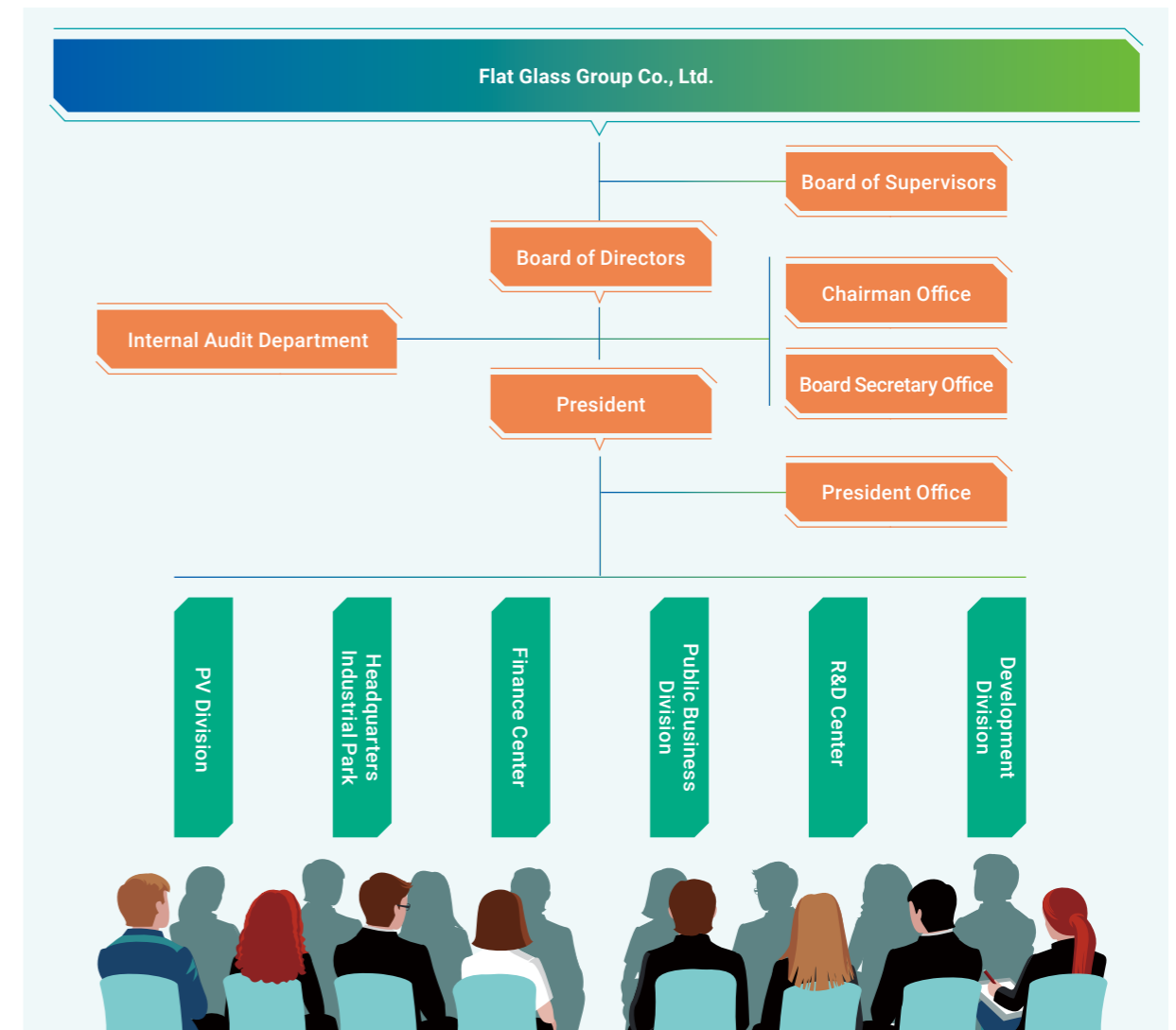


Consolidating the Foundation of Governance

Governance structure

As a company with A + H Shares dual listing status, the Company strictly implements the requirements of the Company Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies in China and the listing rules of the Shanghai Stock Exchange and the Stock Exchange of Hong Kong and other offshore listing places. The Company formulates a comprehensive corporate governance system, establishes a corporate governance structure consisting of the Shareholders' General Meeting, the Board of Directors, the Board of Supervisors and the senior management ("Three Meetings and One Management"), which defines the scope of duties of the Three Meetings and One Management to ensure scientific, standardized and transparent corporate governance.

Corporate governance structure of Flat Glass



Organization	Responsibilities
Shareholders' General Meeting	<ul style="list-style-type: none"> As the Company's highest authority, exercise the voting rights on material matters including the business policies of the enterprise, the appointment and removal of Directors, fundraising, investment, profit distribution in accordance with laws. The Articles of Association provides that the Shareholders' General Meeting shall determine the remuneration of directors and supervisors. In 2023, the Company hold the Shareholders' General Meeting to consider and approve the the proposal on determination of the remuneration of the directors for 2023 and the proposal on determination of the remuneration of the supervisors for 2023, for determination of the remuneration of the directors and supervisors.
Board of Supervisors	<ul style="list-style-type: none"> As the supervisory body of the Company, supervise the the performance of duties by directors, President and other management in accordance with laws.
Board of Directors	<ul style="list-style-type: none"> Exercise the right to make decisions on operations of the enterprise in accordance with laws, and be responsible for the establishment and supervision of the internal control system of the Company; each of five committees, namely the Strategic Development Committee, the Nomination Committee, the Audit Committee, the Remuneration Committee and the Risk Management Committee, under the Board of Directors, shall make advises on material matters of the Company.
Senior management	<ul style="list-style-type: none"> Preside over the production, operation and management of the Company, and organize the implementation of the proposals of the Board of Directors.

In 2023, the Company amended the Rules of Procedures of General Meetings, the Rules of Procedures of Board Meetings, the Rules of Procedures of Meetings of Supervisors and the Working Rules of Independent Directors to further improve the corporate governance structure. By amending the Working Rules of Independent Directors, the Company clarified the positioning of independent directors, set up additional special meetings for independent directors and safeguarded the performance of duties by independent directors.

In 2023, the Company strictly complied with the requirements of the corporate governance system to ensure that the convening and voting procedures of three meetings were legal and compliant, and the resolutions made were legal and effective. The Directors of the Company possess the necessary management experience and operation management ability to perform their duties, and continue to update the knowledge and skills of corporate governance practices through internal and external training and learning. The Company adheres to and improves the employee supervisor mechanism, has two employee supervisors, and achieves orderly participation of employee representatives in corporate governance.



Composition of the Board of Directors and Board of Supervisors and data of related meetings held of Flat Glass in 2023

Composition of the Board of Directors and Board of Supervisors	Data of related meetings held
8 Directors on the Board of Directors. Among them, 5 are female Directors, accounting for 62.50%	10 Shareholders' General Meetings Considered 43 proposals in total
5 executive Directors	15 Board Meetings Considered 66 proposals in total
3 independent non-executive Directors, accounting for 37.50%	13 meetings of special committees under the Board of Directors
There are 5 supervisors on the Board of Directors of Supervisors. Among them, 2 are employee supervisors.	13 meetings of the Board of Supervisors

Members and background of the Board of Directors of Flat Glass

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

For details of corporate governance, please refer to the Corporate Governance chapter set out in the Flat Glass Group Co., Ltd. 2023 Annual Report.

Information disclosure

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

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

In 2023, the Company disclosed 109 announcements on A Shares and 36 announcements on H Shares, without violation of relevant regulations and systems including the Listing Rules of the Stock Exchange and the Articles of Association. The Company disclosed relevant information about the Company's operating results, financial conditions and major decisions in a true, timely, accurate, complete and standardized manner.



Protection of investors' interests

The Company is striving to maintaining the relationship and effective communication with shareholders and investors, actively implements the relevant regulations under the Securities Law and the relevant provisions of the Shanghai Stock Exchange to fulfill the responsibilities as a listed company, and formulates the Investor Relations Management System to continuously strengthen the information communication between the Company and investors and improve the operation transparency of the Company to effectively protect the interests of investors.

The Company actively communicates with shareholders (especially minority shareholders) through multiple channels including telephone, fax, e-mail, investor relationship interaction platform. The Company regularly holds results presentations to interact and communicate with investors on the specific conditions of operating results and financial indicators, and to answer the questions generally concerned by investors.

The Company formulated the Plan for Dividend Returns to Shareholders for the Next Three Years (2022-2024) of Flat Glass Group Co., Ltd. to establish a sound and effective shareholder return mechanism, and emphasize the reasonable investment return to investors while taking into account the sustainable development of the Company. The Company enhances the transparency of cash dividends of the Company, effectively maintains and increases the returns to shareholders, and improves and optimizes the Company's dividend decision-making and supervision mechanism.

In 2023, the Company distributed 2023 interim dividend of RMB2.38 (tax inclusive) per 10 shares in cash to shareholders, totaling RMB559.6 million (tax inclusive).

Deepening Risk Management

Internal control is an important guarantee for listed companies to prevent material risks. The Company strictly complies with relevant laws and regulations including the Audit Law of the People's Republic of China, the Guidelines for Corporate Internal Control Assessment, the Audit Guidelines for Corporate Internal Control, the Guidelines for the Governance of Listed Companies to establish and improve internal control system, and strengthen internal control management level.

The Company attaches great importance to risk management and internal control, and builds a top-down risk management system. In 2023, the Company further improved the management system such as the Code of Procedures for the Audit Department and the Regulations on Internal Audit Penalties, so as to improve the risk management process. The Company purchases liability insurance for the Directors, supervisors and senior managers to reduce the risks or losses that may arise during the performance of their duties.

Risk management structure of Flat Glass

<p>The Risk Management Committee of the Board of Directors Audit Committee of the Board of Directors</p>	<p>> Review and supervise the Company's relevant risk management measures and make recommendations</p>
<p>Board Secretary Office</p>	<p>> Organize the preparation of risk management plan and promote the implementation of the plan, coordinate efforts to promote the day-to-day work of risk management.</p>
<p>Audit Department</p>	<p>> Strengthen the development of the system regarding corruption punishment and prevention, improve the anti-corruption and integrity work mechanism; Carry out risk management, internal audit, etc.</p>
<p>Legal Affairs Department</p>	<p>> Strengthen the development of the system regarding corruption punishment and prevention, combat corruption and uphold integrity, prevent ethical risks.</p>
<p>Human Resources Department</p>	<p>> Promote the construction of the integrity system for all employees and actively carry out the building of enterprise risk management culture.</p>
<p>Other departments and bases</p>	<p>> Implement risk management measures in daily work to ensure safe operation of the Company</p>

Risk management process of Flat Glass



In 2023, the Company developed an annual audit plan to identify the risks that should be focused on in the audit according to the risks found in the 2022 internal audit and the Company's strategic development plan, and carried out relevant internal audit activities around these risks, and regularly issued internal control audit reports. The Company prepared the internal audit evaluation reference database and circulate such database internally, by putting emphasis on sorting out internal control systems and processes related to business operations including procurement, sales, inventory. In 2023, the Company carried out 50 audit projects of various types and made 159 audit recommendations, promoting the standardization and improvement of the internal management of the Company.

Key risk elements identified by Flat Glass in 2023

Internal control elements	Risk contents	Risk description
Control environment	Organizational structure	Risk of lag adjustment of existing business process guideline after the expansion of business scale.
	Human resources	Risk of insufficient human resources and brain drain.
	Development strategy	Risk of insufficient strategic guarantee.
	Social responsibility	Safety accident risk, emergency risk, environmental protection risk and product quality risk.
Control activities	Procurement management	Risk of increased procurement cost.
	Sales management	Risks such as increased market competition and lower customer satisfaction, etc.
	Capital management	Risk of possible capital chain breaking arising from the capital demand far exceeding the capital supply capacity, due to corporate expansion and increase in the demand for fixed capital investment.
	Asset management	Risks such as inventory accounting error, inventory backlog, inventory depreciation, inventory shortage; risks such as inefficient use of fixed assets, improper maintenance, overcapacity, devaluation of asset value, etc.
	Information system	Risks such as the failure of information system design to meet the requirement for internal control, improper authorization, insufficient information construction, and inefficient internal information transmission; information system risk.
Control measures	Contract management	Risks such as contract subject, contract performance, insufficient post-contract evaluation.

In 2023, the Company continued to improve and strengthen internal control, ranking 10th in the "Top 30 Best Internal Control Awards for Listed Companies in Zhejiang".

Adherence to Business Ethics

Business ethics and anti-corruption

Standardized business practices and honest and clean corporate culture are the cornerstones of the sound development of an enterprise. In strict compliance with the laws and regulations including the Anti-Unfair Competition Law of the People's Republic of China and the Interim Provisions on Banning Commercial Bribery, the Company has formulated the Fraud Prevention and Whistle-blowing Encouragement System. Adhering to strict standards, the Company shall implement anti-corruption and anti-fraud management work of prevention before supervision, and regularly conduct anti-corruption training for all employees to cultivate their awareness of anti-corruption.

According to the Employee Handbook, the Company specifies the penalties and treatment measures for employees' bribery, and required employees to sign the Integrity Commitment during orientation, thereby eliminating the practices including corruption, extortion, fraud and money laundering,

In 2023, the Company formulated the Anti-Corruption Norms Guide and issued the [Anti-Corruption Compliance Management Statement](#) to regulate its own business operations, guide its personnel and relevant stakeholders to act in accordance with the rules, and establish a long-term mechanism for the Company to govern commercial bribery, corruption, and fraud. The areas applicable to the Guide include all economic activities covering material procurement, outsource processing, infrastructure projects, business sales, equipment procurement and maintenance, and quality supervision, as well as human, financial and material management.

Integrity management structure of Flat Glass



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

The Company provides employees with clear and smooth whistle-blowing channels such as telephone hotline, e-mails and letters, and encourages employees to complain and blow the whistle on corruption either in a real name or anonymously. To prevent any retaliation against whistle blowers or relevant witnesses, the Company takes measures to protect whistle blowers and guarantees that the personal information of whistle blowers and all whistle-blowing data provided by whistle blowers are kept strictly confidential.

Anti-corruption whistle-blowing and handling process of Flat Glass



In addition, the Company values anti-corruption during procurement. In this regard, the Company conveys the anti-corruption principles to suppliers through the integrity terms as set out in the procurement contract, encouraging them to uphold integrity and self-discipline.

In 2023, 100% suppliers executed the integrity clauses under the procurement contract of the Company, and there were no confirmed violations of the Company in bribery, extortion, fraud and money laundering.

In 2023, the Company conducted two anti-corruption compliance trainings, covering 1,143 people with a training coverage rate of 13.71%.

Case

Convening a series of anti-corruption compliance training activities for 2023

On 27 June 2023, the Company organized more than 500 people to participate in a series of business integrity training activities under the theme of anti-corruption compliance through a combination of on-site and online. The training content includes the current new situation of enterprise-related crimes, the eight major misunderstandings, the common crimes related to enterprise-related crimes, the four major job risk links, and how to prevent job risks and stay away from job-related crimes, etc.

On 8 December 2023, a total of more than 600 people from the Company's Directors, supervisors, senior management, middle management, and sales, procurement and other departments participated in the anti-corruption compliance training for the second half of 2023 by means of on-site or cloud video access, which included the concepts and significance of compliance, identification of compliance risks, compliance measures as well as specific case analyses.



Site of the meeting for business integrity training activities



Site of compliance training for the second half of 2023

Compliance operations

The Company pays attention to compliance management, continues to improve the internal system construction and compliance management process, regularly carries out compliance training, and strengthens the construction of compliance culture.

In 2023, the Company newly formulated the Compliance Manual of Flat Group to further improve the compliance management system and enhance compliance operation. In 2023, the Company had no occurrence of being punished or warned by regulatory authorities for violating laws and regulations related to product quality, customer service, intellectual property protection, environmental protection, employee employment.

List of major laws and regulations in which the Company involves and compliance status

Area	Name of major laws and regulations that the Company complies with	Compliance status
Listing operation	The Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, etc. The Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, etc.	Complied
Product and service responsibility	China: Product Quality Law of the People's Republic of China, Law of the People's Republic of China for Protection of Consumers' Rights, Foreign Trade Law of the People's Republic of China, Advertising Law of the People's Republic of China, etc. Vietnam: No. 36/2005/QH11 Trade Law, No. 54/2014/QH13 Customs Law, No. 107/2016/QH13 Import and Export Tax Law, No. 59/2020/QH14 Enterprise Law, etc.	Complied
Intellectual property protection	China: Patent Law of the People's Republic of China, Trademark Law of the People's Republic of China, etc. Vietnam: No. 50/2005/QH11 Law, No. 103/2006/ND-CP Decree, No. 211/2016/TT-BTC Notice, No. 22/2018/ND-CP Decree, 42/2019/QH14 Law, etc.	Complied
Environmental protection	China: Environmental Protection Law of the People's Republic of China, Atmospheric Pollution Prevention and Control Law of the People's Republic of China, Solid Waste Pollution Prevention and Control Law of the People's Republic of China, Water Pollution Prevention and Control Law of the People's Republic of China, Cleaner Production Promotion Law of the People's Republic of China, Energy Conservation Law of the People's Republic of China, etc. Vietnam: No. 2-2020-QH14 Environmental Protection Law, No. 06-2022-ND-CP Decree, No. 08-2022-ND-CP Decree, No. 01-2022-TT-BTNMT Circular, No. 02-2022-TT-BTNMT Circular, etc.	Complied
Employment	China: Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China, Social Insurance Law, Labor Dispute Mediation and Arbitration Law, Trade Union Law, Law on the Protection of Rights and Interests of Women, Measures for Labor Protection of Female Workers of Zhejiang Province, etc. Vietnam: 58_2014_QH13 Vietnam Social Security Law, 45_2019_QH14_Vietnam Labor Law, etc.	Complied
Occupational health and safety	China: Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, Regulation on Work-Related Injury Insurances, Work Safety Law of the People's Republic of China, etc. Vietnam: No. 84_2015_QH13 Labor Safety Law, No. 39_2016_ND-CP Decree, No. 44_2016_ND-CP Decree, No. 58_2020_ND-CP Decree, No. 88_2020_ND-CP Decree, etc.	Complied

ESG Data Performance Table

Economic Performance

Indicators	Unit	2021	2022	2023
Revenue	RMB'0,000	871,323	1,546,084	2,152,371
Total profit	RMB'0,000	238,022	215,288	305,181
Net asset per share	RMB	5.50	6.54	9.45
Social contribution value per share ¹	RMB	1.46	1.47	2.10

Note 1: [Calculation method] Social contribution value per share = (net profit of the Company + taxes created for the country during the year + salaries paid to employees + interests paid on borrowings to banks and other creditors + amount of value (such as external donations) created for other stakeholders - other social costs caused by environmental pollution, etc.) / total number of shares of the Company.

Environmental Performance

Indicators	Unit	2021	2022	2023
Total direct energy consumption ²	MWh	7,983,011	10,496,194	16,243,656 ¹
Direct energy consumption per unit revenue	MWh/RMB'0,000	9.16	6.79	7.55
Total indirect energy consumption ³	MWh	1,126,902	2,112,509	3,058,868
Indirect energy consumption per unit revenue	MWh/RMB'0,000	1.29	1.37	1.42
Water consumption	m ³	5,924,632	8,825,732	12,995,772
Water consumption per unit revenue	m ³ /RMB'0,000	6.8	5.7	6.04
Recycled water consumption	m ³	6,096,661	4,045,051	4,288,738
Total exhaust gas emissions	m ³	11,758,631,347	20,318,513,110	30,771,623,657
Nitrogen oxides (NO _x) emission	kg	2,413,011	3,487,232	2,912,232
Sulphur dioxide (SO ₂) emission	kg	938,396	2,649,823	2,503,965
Particulate matter (PM) emissions	kg	121,042	248,975	214,692
Industrial waste water emissions	m ³	2,636,345	3,169,111	5,248,046
Industrial waste water emissions per unit revenue	m ³ /RMB'0,000	3	2	2.44
Ammonia nitrogen emissions intensity	mg/L	5	5	5
Chemical oxygen demand (COD) emissions	Ton	178	139	158
Hazardous waste generated	Ton	397	215	190
Hazardous waste generated per unit revenue	kg/RMB'0,000	0.46	0.14	0.09
Non-hazardous waste generated	Ton	19,865	26,643	32,825

Indicators	Unit	2021	2022	2023
Non-hazardous waste generated per unit revenue	kg/RMB'0,000	22.80	17.23	15.25
Scope 1 Total GHG emissions ⁴	tCO ₂ e	1,888,853	2,541,120	3,797,901
Scope 2 Total GHG emissions ⁵	tCO ₂ e	654,730	1,204,764	1,744,473
Total GHG emissions (Scope 1+Scope 2)	tCO ₂ e	2,543,583	3,745,884	5,542,373
GHG emission per unit revenue	tCO ₂ e/RMB'0,000	2.92	2.42	2.58
Total use of packaging materials	Ton	3,075	5,686	8,609
Total use of packaging materials per unit revenue	Ton /RMB'0,000	0.0035	0.0037	0.004

Note:

[1]. As the Company's achieved a rapid increase in PV glass production capacity, resulting in the increase of energy consumption, GHG emissions and tri-wastes(waste water, waste gases and residues) emissions, thus the corresponding data changed significantly compared to 2022.

[2]. The direct energy consumption includes the use of fuel oil, natural gas, gasoline usage of own vehicles and diesel usage of own vehicles. The direct energy consumption was converted into MWh based on the average lower heating value (LHV) coefficients of various energy sources published in the China Energy Statistical Yearbook 2017 by the Department of Energy Statistics, National Bureau of Statistics. Fuel oil consumption in 2021 was corrected upon reviewing. The direct energy consumption and related density data in 2021 were retroactively adjusted accordingly.

[3]. Indirect energy consumption refers to purchased electricity.

[4]. Scope 1 GHG emissions include carbon dioxide generated from fuel oil, natural gas consumption, gasoline usage of own vehicles and diesel consumption of own vehicle. The carbon dioxide emissions from fuel oil and natural gas is calculated with reference to the recommended values of related parameters in the GHG Emissions Accounting and Reporting Requirements Part 7 for Plate Glass Manufacturers (GB/T 32151.7 - 2015). The carbon dioxide emissions factors of gasoline usage of own vehicles and diesel consumption of own vehicle is calculated with reference to How to Prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs issued by Hong Kong Stock Exchange.

[5]. Scope 2 GHG emissions generated from purchased electricity. According to the requirements of the Hong Kong Stock Exchange, the carbon emissions factors of purchased electricity were adjusted in accordance with the National Grid Emission Factor (0.5810 kg CO₂/kWh) issued by the Ministry of Ecology and Environment of the People's Republic of China (2022) in 2021, and the National Grid Emission Factor (0.5703 kg CO₂/kWh) issued by the Ministry of Ecology and Environment of the People's Republic of China (2023) in 2022 and 2023.

Social Performance

Number of Employees

Indicators	Unit	2021	2022	2023
Total employees ¹	Person	5,734	7,766	8,337
By gender	Male	4,109	5,506	5,957
	Female	1,625	2,260	2,380
By employment type	Labor contract	5,679	7,693	8,240
	Other types of employment ²	55	73	97
By age group ³	>50 years old	400	514	585
	30 to 50 years old	3,449	4,689	5,093
	<30 years old	1,830	2,490	2,562
By geographical region ⁴	Employees in mainland China	4,741	6,841	7,402
	Employees in Hong Kong, Macau, and Taiwan as well as overseas	938	852	838

Note:

[1]. The Company has been expanding its production line and capacity for the past three years, and thus the total number of employees increased accordingly.

[2]. The Company's other types of employment include re-employment after retirement and labor outsourcing.

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

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

Employment and Labour Practices Performance

Indicator		Unit	2021	2022	2023
Times of penalties imposed for violations of employment and labor laws and regulations		Time	0	0	0
Total number of employee discrimination incidents		Incident	0	0	0
Total labor dispute incidents		Incident	1 ¹	0	0
Employee turnover number ²		Person	1,769	1,051	1,532
By gender	Male	Person	1,274	659	990
	Female	Person	495	392	542
By employment type	Labor contract	Person	1,769	954	1,487
	Other types of employment	Person	0	97	45
By age group	>50 years old	Person	78	78	93
	30 to 50 years old	Person	849	494	907
	<30 years old	Person	842	479	532
By geographical region	Employees in Mainland China	Person	1,381	746	1,325
	Employees in Hong Kong, Macau, and Taiwan as well as overseas	Person	388	305	207
Employee turnover rate ³		%	30.85	13.53	18.38
By gender	Male	%	31.01	11.97	16.62
	Female	%	30.46	17.35	22.77
By employment type	Labor contract	%	31.15	12.40	18.05
	Other types of employment	%	-	132.88	46.39
By age group	>50 years old	%	19.50	15.18	15.90
	30 to 50 years old	%	24.62	10.54	17.81
	<30 years old	%	46.01	19.24	20.77

Indicator		Unit	2021	2022	2023
By geographical region	Employees in Mainland China	%	29.13	10.90	17.90
	Employees in Hong Kong, Macau, and Taiwan as well as overseas	%	41.36	35.80	24.70
Employee training investment ⁴		RMB 0,000	200	319.5	335
Employee training coverage		%	100	100	100
Male employee training coverage		%	100	100	100
Female employee training coverage		%	100	100	100
General employee training coverage		%	100	100	100
Mid-level employee training coverage		%	100	100	100
Management employee training coverage		%	100	100	100
Average hours of training per employee per year for all employees ⁵		Hour	71.0	72.4	72.6
Average hours of training per male employee per year ⁵		Hour	54.7	60.7	72.6
Average hours of training per female employee per year ⁵		Hour	109.8	100.7	72.7
Training hours per general employee ⁵		Hour	74.0	73.0	72.7
Training hours per mid-level employee ⁵		Hour	25.0	25.0	72.0
Training hours per management employee ⁵		Hour	50.0	50.0	72.0
Safety education training coverage		%	100	100	100
Number of work-related fatalities		Person	0	0	0
Rate of work-related fatalities		%	0	0	0
Number of lost-days due to work injuries		Day	1,859	4,783	4,330

Note:

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

[2]. The significant decrease in employee turnover in 2022 was due to:

a. The Company improved the benefits and remuneration given to employees;

b. The Company continued to expand the size, so that the employees can gain more and better development prospects.

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

[4]. From 2022 onwards, the Company has made more training investments due to the increase in training at management level.

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

Supply Chain Performance

Indicator	Unit	2021	2022	2023
Total number of suppliers ¹	Supplier	1,262	2,427	2,450
By geographical region	Mainland China	1,098	2,163	1,983
	Hong Kong, Macau, and Taiwan as well as overseas ²	164	264	467

Note:

[1]. In 2022, the number of suppliers has changed significantly compared to 2021, which was due to the significant increase in the number of suppliers as a result of the continuous development of new suppliers to match the Company's overall capacity attributable to the Company's rapid expansion of production.

[2]. In 2023, the number of suppliers from Hong Kong, Macau, and Taiwan as well as overseas has changed significantly compared to 2022, which was due to the increase in local supplies in Vietnam.

Product Responsibility Performance

Indicator	Unit	2021	2022	2023
Percentage of total products sold or shipped that are subject to recall for safety and health reasons	%	0	0	0
Number of customer complaints due to product quality or service ¹	Time	1,230	699	588
Complaint handling rate ²	%	100	100	100
Capital investments in technological innovation and R&D	RMB' 0,000	40,842	52,323	59,675
Number of R&D employees	Person	515	794	1,127
Cumulative number of patents granted	Patent	177	191	213
Number of patent applications during the Reporting Period	Patent	1	20	25
Number of patents granted during the Reporting Period	Patent	37	12	22

Note:

[1]. From 2022 onwards, the number of complaints decreased significantly due to:

a. The Company improved the quality of products. The furnaces which were newly put into production became gradually stabilized with fewer defects, and the operators have rich experience;

b. The production process was optimized to be more smooth with less low-level errors;

c. Inspection equipment was put into operation and the process monitoring equipment was introduced with 100% realization of basic project defect inspection;

d. The customer's understanding of the product was deepened and some problems were solved on site.

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

Anti-corruption Performance

Indicator	Unit	2021	2022	2023
Times of training related to anti-corruption	Time	1	2	2
Average anti-corruption training hours per capita of Directors	Hour	2	4	4
Percentage of board members who have received anti-corruption training	%	100	100	100
Average anti-corruption training hours per capita of employee	Hour	0.06	0.48	0.23
Percentage of employees who have received anti-corruption training	%	3.04	16.18	13.71
Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period	Case	0	0	0

Community Investment Performance

Indicator	Unit	2021	2022	2023
Number of employees participated in public welfare/volunteer activities	Person-time	70	670	130
Total hours of volunteers	Hour	40	2,920 ¹	390
Total charity investments	RMB' 0,000	148.6	360.28	230.61
Focus areas:				
Culture and sport	RMB' 0,000	0	5	0
Health	RMB' 0,000	0	0	0
Environmental protection	RMB' 0,000	0	0	0
Education	RMB' 0,000	100	45.3	90
Others	RMB' 0,000	48.6	309.98	140.61

Note:

[1]. In 2022, the Company participated in the volunteer activities of donating materials in Shanghai and the volunteer service of escorting trucks at Xiuzhou Expressway. Therefore, the number of employees participated in public welfare and volunteer activities increased significantly.

Index of Reporting Standards

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

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A1.1	Environmental Management System ESG Data Performance Table	B2.3	Protecting Employees' Health
A1.2	ESG Data Performance Table	B3. Development and Training	Attaching Importance on Employee Development
A1.3	ESG Data Performance Table	B3.1	ESG Data Performance Table
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A2.3	[Responsibility Topic] Jointly Creating a Green Community with Dedication to PV	B5.1	ESG Data Performance Table
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Index of Guidelines No. 1 for the Application of Self-regulatory Rules of Companies Listed on the Shanghai Stock Exchange – Standard Operation

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8.6:(2)	Deficiencies and problems in fulfilling social responsibility	Not involved
8.6:(3)	Improvement measures and specific time schedule	Not involved
8.7		Sharing Happiness Through Cohesion Pursing the Strongest through Sound Operation
8.8:(1)	Compliance with laws and regulations on environmental protection and industry standards	Embracing a Green Future
8.8:(2)	Environmental protection plan	Embracing a Green Future
8.8:(3)	Use of natural resources	[Responsibility Topic] Jointly Creating a Green Community with Dedication to PV Embracing a Green Future
8.8:(4)	Pollutant disposal	Embracing a Green Future
8.8:(5)	Pollution prevention and control facilities	Embracing a Green Future
8.8:(6)	Payment of taxes related to environmental protection	Embracing a Green Future
8.8:(7)	Supply chain security	Leading in Innovation, Craftsmanship and Quality
8.8:(8)	Other responsibilities for environmental protection	Embracing a Green Future

Terms and Disclosures		Disclosure Chapter
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8.10:(2)	Violation of laws and regulations on environmental issues and the punishment	Embracing a Green Future
8.10:(3)	Major litigation on environmental issues or assets sealed up, frozen, seized, pledged or mortgaged	Not involved
8.10:(4)	Key pollutant discharge units	Embracing a Green Future
8.10:(5)	Impact of newly promulgated laws and regulations on the Company	Not involved
8.10:(6)	Major events on environmental protection	Not involved
8.11		Embracing a Green Future
8.12:(1)	Pollutant emission	Embracing a Green Future
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8.14:(1)	System of employee management and measures for violation handling	Sharing Happiness Through Cohesion
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8.14:(3)	Employee training	Sharing Happiness Through Cohesion
8.14:(4)	Other protection responsibilities for employees' rights and interests	Sharing Happiness Through Cohesion
8.15		Not involved



Add: No.1999 Yunhe Road, Xiuzhou District, Jiaxing City, Zhejiang Province
Tel: 0573-82793013
Fax: 0573-82793015
E-mail: flat@flatgroup.com.cn