

2020

ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT



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About This Report

Basis for preparation

This Report is prepared in accordance with the *Environmental, Social and Governance Reporting Guide (2019 Edition)*¹ published by The Stock Exchange of Hong Kong Limited (Hong Kong Stock Exchange) and the *Notice of Shanghai Stock Exchange on Strengthening the Corporate Social Responsibility of Listed Companies and Issuing Shanghai Stock Exchange's Guidelines for the Disclosure of Environmental Information of Listed Companies*.

Reporting scope

Reporting scope: It includes Flat Glass Group (the "Company" or "Flat Glass") and its subsidiaries (collectively the "Group"), which is consistent with the financial year covered by the Annual Report of the Company.

Reporting period: The information published in this Report is for the period from 1 January 2020 to 31 December 2020 (the "Reporting Period"). Some statements and data may be traced back to previous years as appropriate.

Source of data

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

Financial data in the Report are denominated RMB, unless otherwise stated. Should any inconsistency and ambiguity arise between financial data herein and the annual report of the Company, the Annual Report of the Company shall prevail.

Reporting principles

This Report is in compliance with the reporting principles determined by Stock Exchange *ESG Reporting Guide*. The reporting principles are detailed as follows:

- **Materiality**

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

- **Quantitative**

Based on the quantitative principle, this Report presented statistics on ESG quantitative performance and disclosed 3-year historical data.

- **Balance**

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

- **Consistency**

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

¹Hong Kong Stock Exchange issued a revised *Environmental, Social and Governance Reporting Guide* in December 2019, which came to be effective from the fiscal year after July 2020.

About Flat Glass

Flat Glass Overview

<p>Year of Establishment</p> <p>1998</p>	<p>Company name</p> <p>Flat Glass Group Co., Ltd.</p>	<p>Ownership and legal form</p> <p>Listed on Shanghai Stock Exchange (stock code: 601865) Listed on Hong Kong Stock Exchange (stock code: 06865)</p>
<p>Principal businesses</p> <p>Flat Glass is a comprehensive enterprise with an integration of research and development, manufacturing, processing, and sales of glass. Its main products cover photovoltaic(PV) glass, float glass, energy-saving architectural glass, and household glass.</p>		
<p>Locations</p> <p>Main locations of Flat Glass and its subordinates include Jiaxing of Zhejiang province and Chuzhou of Anhui province in China, and Vietnam.</p>	<p>Headquarters</p> <p>Jiaxing , Zhejiang Province, China</p>	

<p>Vision</p> <p>Committed to establishing a global presence in the glass sector</p>	<p>Mission</p> <p>Co-creating a green lifestyle for all</p>
<p>Core value</p> <p>Integrative development for common prosperity, win-win through collaboration</p>	<p>Spirit</p> <p>Credible, Pragmatic, Dedicated, Passionate, Innovative</p>

Social Responsibility Management

Idea of social responsibility

As a global leading PV glass manufacturer, Flat Glass takes "co-creating a green lifestyle for all" as its mission and integrates the business philosophy of "centering on customer satisfaction, to expand market with quality, to win customers with service, to develop with improvement" into the Company's corporate culture and strategic planning.

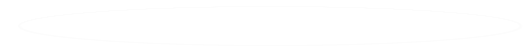
The Company attaches great importance to long-term sustainable development, delivers value for society while developing its own business, and shares the fruits of prosperity and development with its stakeholders, with a view to achieving sustainable business operation. The Company has put in place a CSR management system and set up a CSR model. At Flat Glass, we follow such basic codes of conduct as good faith management and strict compliance with regulations, actively undertake responsibilities to shareholders, the environment, employees, customers and the community, and has proposed the ESG management strategy featuring "sound management", "co-prosperity through co-existence", "green sustainability" and "win-win through collaboration".







To become a global leading eco-friendly enterprise who excels in value-creating

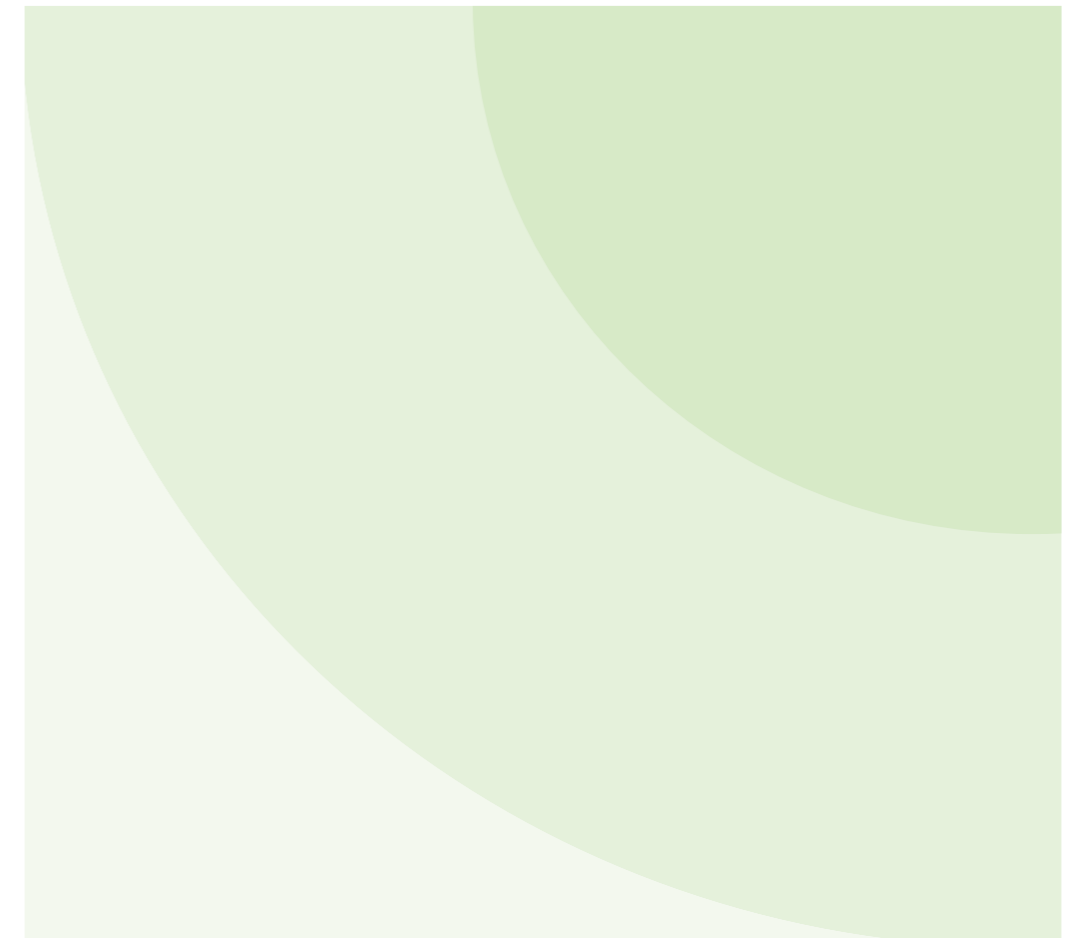
<p>Co-prosperity through co-existence</p> <p>To create a sound workplace for our employees, promote individual development, and insist on giving back to the society to achieve ongoing return.</p>	<p>Green sustainability</p> <p>To fully implement the concept of green and environmental protection and strive to build a resource-saving, eco-friendly and harmonious enterprise.</p>
<p>Sound management</p> <p>To govern the Company in accordance with laws and regulations, grow at a steady pace, and build our core competitiveness.</p>	<p>Win-win through collaboration</p> <p>To take a customer-first approach and ensure customer satisfaction by valuing the concept of quality services and promise.</p>

Social responsibility management structure

The Company's philosophy on corporate social responsibility is deeply rooted in our corporate culture and daily operations. At Flat Glass, the Senior Management has established an Environmental, Social and Governance (ESG) Working Group, which is responsible for coordinating ESG management, communication and information disclosure, evaluating the Company's ESG risks, ensuring internal control and supervision of ESG risks, formulating and approving ESG-related policies, and reporting to the Board of Directors on



Major stakeholder	Channels of communication	Issues
 Shareholders and investors	<ul style="list-style-type: none"> • Shareholders' meeting • Information disclosure • External e-mail 	Compliance and risk management Economic performance
 Governments and regulators	<ul style="list-style-type: none"> • Communication through meeting • Supervision and inspection 	Compliance and risk management Anti-corruption Emission management Resource utilization Environmental protection
 Customers	<ul style="list-style-type: none"> • Customer satisfaction survey • Customer visit • Exchange through forum/summit 	Product health and safety Technological innovation Satisfaction and communication Customer information security and privacy protection
 Suppliers	<ul style="list-style-type: none"> • Supplier evaluation and survey 	Supply chain management Anti-corruption
 Staff	<ul style="list-style-type: none"> • Regular meeting • Staff activity • Complaints and feedback 	Labor code Employee rights and benefits Staff training and development Occupational health and safety
 Industries	<ul style="list-style-type: none"> • Conference • Trade association • Exchange through forum/summit 	Innovative research and development Intellectual property right
Communities	<ul style="list-style-type: none"> • Community activity • Official WeChat account and other media 	Environmental protection Public welfare activities



Good Governance and Good Faith Management

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

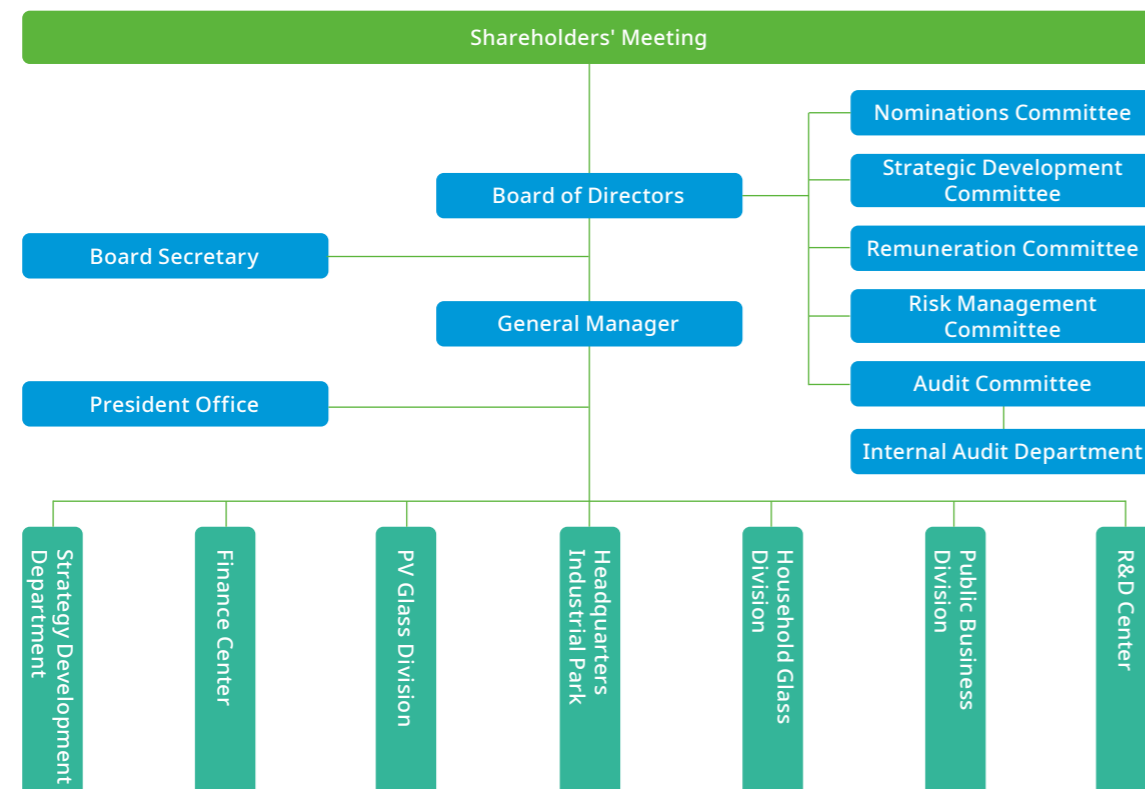
Sound Corporate Governance

Sound corporate governance is the cornerstone of corporate development. Flat Glass who insists on operating in good faith has established a complete management system and institution, made timely information disclosure, and actively communicated with various stakeholders to continuously improve its own value.

Governance architecture

The Company always adheres to improve corporate structure by following the principle of open operation and transparent authority and responsibility. According to the Company's *Articles of Association*, there are a total of seven members in the Board of Directors of the Company. The Board of Directors is accountable to the shareholders, reports to them, and implements their resolutions. The Company held a total of 17 board meetings in 2020.

Organizational structure



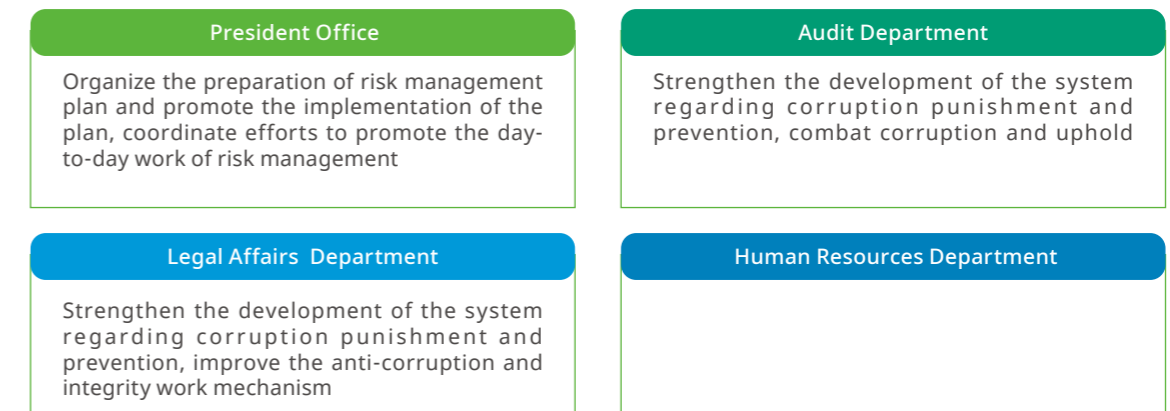
Information disclosure

The Company attaches importance to the transparency and fairness of information disclosure and has put in place the *Information Disclosure Management System*, the *Internal Reporting System for Material Information*, the *Registration and Reporting System for Informants of Insider Information* and other systems to regulate the Company's information disclosure behavior and ensure that the Company discloses information in accordance with laws and regulations and the relevant regulations of the China Securities Regulatory Commission (CSRC), Shanghai Stock Exchange and the Hong Kong Stock Exchange. During the Reporting Period, there was no violation of laws and regulations such as the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange* and *Articles of Association*, and the Company has disclosed relevant information regarding the results of operations, financial statements, and material decisions in a timely, accurate, and standardized manner.

Risk Control and Management

The Company attaches importance to the development of the compliance system. We have continuously improved the organizational system of risk management, and actively carried out risk assessment and internal audit work in order to accurately identify and strictly control various potential risk events that may affect the Company and effectively enhance its overall risk management capability.

Division of responsibility for risk management



Customer First and Quality Excellence

With over 23 years of experience in the glass industry, Flat Glass with a vision of "committed to establishing a global presence in the glass sector", insists on embracing integrity and quality to become a Chinese national brand engaged in the glass industry. The Company has continued its efforts to improve the quality management and service level and carry out technological innovation to create ongoing value for customers.

Stringent Quality Control

Improvement of quality management system

The Company holds high the great banner of quality policy featuring "quality first, quality is everyone's business" and carries out product production in strict compliance with national and international standards. Through well-established quality management system, sound quality management institution and various management measures, we, at Flat Glass, have ensured the effective implementation of quality control measures in all aspects of production.

Abided by both national and international standards

- Strictly complied with the provisions of both national and international standards to carry out production of various glass products.

Put in place quality management system

- Certified by GB/T19001-2016/ISO9001: 2015 quality management system, and formulated the quality management procedure in accordance with the requirements of this system;
- Established a "tri-inspection system" for quality control, implemented quality management and quality testing related work, and assigned more than 150 professional inspectors.

Formulated quality management rules

- Developed institutional documents such as *Flat Glass Quality Management, Non-conforming Product Control Procedures and Regulations on the Management of Abnormal Raw PV Glass*;
- Implemented standardized management of workshop site, developed SOPs for operation and product quality control.

Adopted quality management measures

- Set up multiple KPIs such as raw glass yield rate and processing yield rate, and tracked the accomplishment of such KPIs and made continuous improvement accordingly;
- Conducted month-end, quarterly and annual product quality analysis meetings, regular quality-related accident analysis meetings and quality-related thematic meetings;
- Strengthened the quality-related training for operators to enhance their quality awareness.

► "Tri-inspection System" for quality control

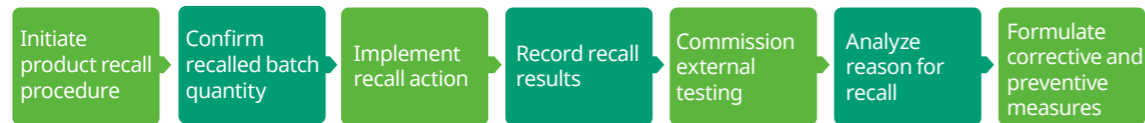


► Measures for quality management in 2020

	Specific measures
Introduction of advanced testing equipment	<p>To improve product quality, we have introduced advanced testing equipment in place of manual testing, so that process abnormalities were detected in time.</p> <ul style="list-style-type: none"> • The online thickness gauge was used in place of manual sampling to detect the thickness change, which ensured increase of monitoring frequency and improvement of detection accuracy; • The online coating color measuring instrument was used in place of artificial visual judgment, which ensured accurate judgement on color of coating plate surface and reduction of undetected errors; • The online thickness gauge was used in place of manual sampling to detect the size change, which ensured increase of monitoring frequency and timely detection of process abnormalities.
Quality training	<p>To improve product quality, we have increased quality training relating to management and technology to improve quality awareness and technical ability of our staff.</p> <ul style="list-style-type: none"> • We have carried out quality awareness improvement training on sampling inspection, incentive management, time management, employee professional awareness management and other topics.

In addition, the Company has established the *Non-conforming Product Recall Process* system to strengthen product safety management and protect the legitimate rights and interests of customers as well as their life and property safety. The Company's General Manager serves as the highest decision maker of product recall, the Sales Department is responsible for the specific implementation of the recall, and the Quality/Technology Department is responsible for the reverse tracing of the non-conforming products. The Company saw zero product recall in 2020.

►The Company's product recall process



As a leading manufacturer in the glass industry, the Company has also taken a leading role in drafting and compiling several industry standards. In addition to strictly complying with international standards, national standards and industry standards, the Company has continued its efforts to pursue product quality and promote improvement of quality standards in the industry.

Leading the preparation of the following industry standards

Solar glass Part 1: Ultra-clear patterned glass (GB/T 30984.1-2015), The norm of energy consumption per unit product of ultra-white patterned glass (GB 30252-2013), PV glass: Test method and performance evaluation of exposure to hot-dry and sand-dust environment (GB/T 34613-2017), PV glass: Test method and performance evaluation of exposure to urban environment in temperate climate (GB/T 34614-2017), PV glass: Test method and performance evaluation of exposure to damp heat outdoor environment (GB/T 34561-2017), The norm of energy consumption per unit products for glass products and cast stone (GB 21340-2019), Anti-soiling and easy-to-clean coated glass (GB/ T 37830-2019), Lightweight crystalline silicon PV laminated glass (GB/T 37896-2019), Easy clean glass (T/ZBH 008-2019), Test and evaluation methods for light transmission property of cover glass for crystalline silicon PV module (GB/T 37240-2018), Test method for stress in flat glass (GB/T 36405-2018), Determination of trace nickel for plate glass (GB/T 36269-2018), Anti-reflective coating PV glass (T/ZZB 0305-2018), The requirements and evaluations of appearance quality of glass in building (T/ZBH 001-2017), Light weight thermally strengthened glass (GB/T 34328-2017), Green product assessment: Building glass (GB/T 35604-2017), etc.

Participating in the preparation of the following industry standards

Anti-reflective coated glass for PV modules (JC/T 2170-2013), Standard for design of energy conservation of flat glass plant (GB/T 50527-2019), Copper-free silver mirror on flat glass (GB-T 28804-2012), etc.

Reinforcement of supplier management ►Flat Glass supplier category

The Company has established and continuously

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►Environmental and social management requirements for new suppliers

►Evaluation and management requirements for partial cooperative suppliers

Safeguarding Customers' Rights and Interests

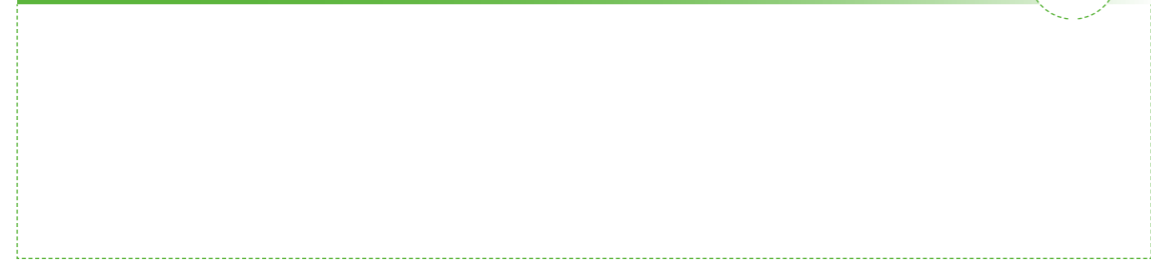
Improvement of customer services

By adhering to the business philosophy of "customer first, pioneering spirit" and insisting on the service principle of "customer first", the Company has continued its efforts to improve customer satisfaction. At Flat Glass, we have formulated and continuously revised such system documents as the *Customer Service Management Specification*, *Customer Satisfaction Supervision and Measurement Control Procedure*, and *Specification on the Management of Customer Complaint-based Logistics Return*. The Company has established and improved the customer service workflow, which specified that the Sales Department of each division is responsible for providing customers with inquiries and consulting services before and during sales, and the Quality Management Department is responsible for handling product complaints. We have provided marketing system-related personnel with regular training to continuously improve their professional ability and customer service capability and enhance the quality of customer service.

Responsible marketing

The Company focuses on active communication with customers to understand their needs and to promote

Clear float glass training for sales staff



Customer information security and privacy protection

The Company attaches great importance to the privacy and information security of customers, and has formulated the *Confidentiality System* to regulate the management and confidentiality of customer information and clarify the way of punishment of employees for disclosing the Company's secrets, so as to prevent the leakage of customer information to the greatest extent. At the same time, the Company has set up a confidentiality mechanism in the contracts signed with customers to keep customers' information strictly confidential, fully respect customers' privacy, and protect customers' legitimate rights and interests.

Environmental Management

Environmental management system

The Group has established an excellent environmental management system. At the Public Administration Department, a comprehensive management department was set up to coordinate and manage the environment and safety efforts of the Group; all subsidiaries/production departments have set up environment and safety management departments to manage the environmental work of the Group, and have appointed designated environment and safety officers for implementation. The Group has formulated *Environmental Management Regulations* to regulate the development of environmental management work. Besides, the Group's environmental management system has passed GB/T24001-2016 idt ISO14001:2015 environmental management system certification.



In addition, the Group completes an environmental impact assessment (EIA) prior to the construction of new production lines. The EIA report contains the analysis of the natural environment and environmental quality of the location of the new production line, and the potential environmental impacts of the project on the environment, water source, atmosphere, waste, light pollution and other aspects during the construction and operation period. The EIA can be used to guide the design of protection measures for the production line, ensure the reasonable site selection and layout of the construction project, and thus promote the overall environmental management of the Company.

EIA

The Company is mainly engaged in the production of PV glass, float glass, household glass and architectural glass. Starting with the procurement of raw materials such as fine quartz sand, aluminum hydroxide, limestone and dolomite, the Company produces quality glass products through the process flow of melting, solder stripping, calendaring and forming, coating, cleaning, cutting and packaging. During our production process, the main resources consumed include fuel oil, electricity and natural gas, etc.; the emissions generated mainly include industrial waste water, exhaust gas, hazardous and non-hazardous waste, etc. To properly dispose of various emissions, the Company has set up an automatic monitoring system within the plant to monitor and control the emissions in real time. In addition, the Company secured a green loan of US\$180 million from DBS Bank in 2020, which is used in photovoltaic glass products and project construction.

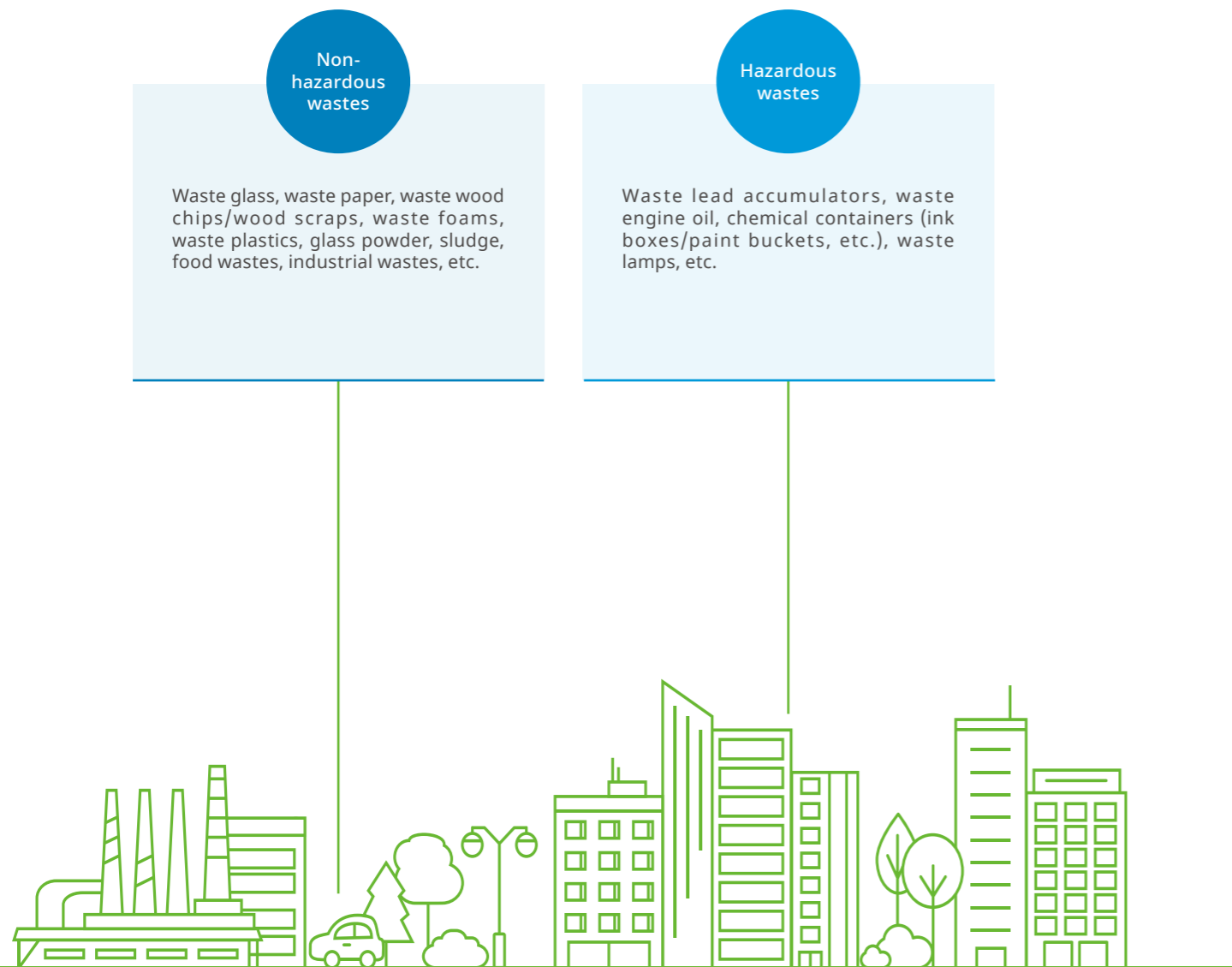




Solid waste management

The Company follows the principle of reduction and reuse for solid waste management to fully improve the efficiency of resource utilization. During the production process, waste glass produced is directly reused by the Group; waste paper, wood chips, wood scraps, and waste foamed plastics are handed over to suppliers for recycling; and sludge is handed over to building material companies for brick making. All these efforts are made to maximize resource utilization. The rest food wastes, industrial wastes and other general wastes are entrusted to qualified entities for centralized treatment. In terms of hazardous waste treatment, the Company has strictly implemented the GB *Standard for pollution control on hazardous waste storage*, formulated the *Hazardous Waste Management System*, and entrusted qualified entities for the disposal of such wastes.

Wastes generated from production and operation activities



In addition, the Company has developed several plans and targets for hazardous waste reduction, e.g. the total hazardous waste output shall be reduced by 5% per year from the previous level, etc. At Flat Glass, we have taken measures to reduce the impact of its operations on the environment by reducing the non-hazardous and hazardous waste output in the production process.



The Company focuses on waste management and hopes to reduce waste generation from the very beginning, thereby reducing its impact on the environment. In 2020, the Household Glass Division has taken a host of measures including lean production and equipment upgrade to reduce waste generation.

Measures	Actions and achievements
Lean production	<p>By adjusting the production process, waste glass output has been decreased: custom sizes and zero trimming have been used for the raw glass, thereby reducing the waste of cutting, and reducing the generation of non-hazardous waste glass.</p> <p>Reduction of waste glass output of over 100 tons</p>
Equipment renovation and upgrade	<p>By upgrading the equipment, the production of waste film has been reduced: the original manual cutting of film with blades has been changed to automatic cutting of film, thereby significantly reducing the production of waste film of non-hazardous waste PE protective film.</p> <p>The 10mm waste film is no longer generated. The annual PE waste film can be reduced by 19,000 m²</p> <p>The generation of waste engine oil has been reduced by using cleaner equipment: the generation of hazardous waste engine oil has been reduced by using electric fork lift trucks in place of diesel fork lift trucks.</p>

Waste water discharge management

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

Type of waste water and discharge standards

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



Flat Glass attaches importance to the value of giving back to society during continuous development. At Flat Glass, we regard our employees as the greatest asset and provide them with an equal and sound workplace to help individual growth. At the same time, the Company insists on participating in community activities and volunteer services to give back to society and realize co-existence for co-prosperity internally and externally.

Efforts in Safeguarding Employees' Rights and Benefits

We are committed to safeguarding the rights of our employees, respecting their differences, providing a safe and harmonious workplace for each employee, and enhancing the cohesiveness and happiness of our employees through employee care, employee welfare and other related activities in the common pursuit of achieving sustainable development.

Employees' rights and benefits

The Company strictly abides by the applicable laws and regulations such as the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and the working time limits and holidays stipulated by the laws of each business location, and follows the *Compilation of Human Resource Management Systems*, the *Annual Performance Appraisal Management Measures*, the *Attendance and Leave Management System*, and the *Compensation Management System* formulated by the Group to respect and protect the legitimate rights and interests of employees.

► Overview of labor engagement and basic rights system

<p>Recruitment management</p>	<ul style="list-style-type: none"> • Recruitment: We adhere to fair employment practices, we do not discriminate against or impose unfair treatment on employees regardless of age, gender, native place, religious belief, marital status, etc., and we say no to the employment of child labor or forced labor; • Decruitment: We have established a standardized separation management and dismissal process to fully protect the legal rights and interests of employees in the process of dismissal • Compensation: We have implemented fixed post and salary management, and the duty allowance base and the maximum bonus base for the management staff are subject to their ranks and technical titles.
	<ul style="list-style-type: none"> • Promotion and development: We provide open and transparent promotion channels and encourage employees to gain a clear picture of their career orientation and choose the right career path for themselves. At the same time, through rotation and competitive recruitment, we provide development channels for each employee.
	<ul style="list-style-type: none"> • Labor hour: Our employees work 5 working days (40 hours) a week; For employees involved in service, mechanical & electrical, R&D and other positions, we have implemented a comprehensive working hour system and an irregular working hour system, and submitted the comprehensive working hours for approval according to law; • Vacation: Our employees are entitled to national holidays, marriage leave, maternity leave, sick leave and other paid holidays in accordance with the law.

The Company has implemented policies related to employee welfare and provided employees with benefits such as high-temperature subsidies, traffic subsidies, communication subsidies and festival gifts, in addition to safeguarding their legal rights to receive labor compensation and enjoy statutory social insurance and break in accordance with the law.

► Overview of employee basic benefits

<p>Lucky draw for Spring Festival</p>	<p>Communication subsidies</p>	<p>Social security subsidies</p>	<p>Paid annual leave</p>	<p>Accommodation subsidies</p>
<p>High-temperature subsidies</p>	<p>Festival gifts</p>	<p>Traffic subsidies</p>	<p>Staff canteen</p>	<p>Staff dormitory</p>

Caring for staff

The Company focuses on securing an efficient, relaxed and comfortable team climate for its employees, enriching their lives while also enhancing their sense of belonging and cohesiveness. All these efforts have helped them adapt quickly to new environment.

<p>Internal communications</p>	
<p>Club activities</p>	<p>Charity fund</p>
<p>Caring for women</p>	

Internal communications

The Company has provided a smooth communication mechanism for employees, who can report complaints or provide feedback on their demands through channels such as WeChat, direct communication with the HR Department and the corporate email, thereby securing an open, transparent and reliable workplace.

Symposium for university students themed on "job accomplishment for personal fulfillment" held



In September 2020, the Group held a Symposium for University Graduates themed on "job accomplishment for personal fulfillment". At the Symposium, the Group conducted the "Awarding Ceremony for Honorary University Graduate Pacemakers", after which representatives of outstanding managers of the Group and university graduates shared their career development history and entry experience. As such, the Group lent an ear to the inner voices of employees and exchanged their concerns, while the newcomers also enhanced their understanding of the Company.



Charity fund

To bring into play the teamwork spirit and stabilize life of employees for highlighting our humanistic care, the Company has established a charity fund to provide caring allowance for employees who are sick and hospitalized, offer condolence payments to employees who are involved in personal events such as births, weddings and funerals, and secure settling-in allowance for university students in need of accommodation.

In 2020, the Charity Fund donated RMB 116,600 in total, benefiting over 170 people.

Total Charity Fund:

RMB **116,600**

Caring for women

Flat Glass has always believed that diversity and inclusiveness are important factors in the success of a company. At Flat Glass, we strive to secure a diverse and harmonious workplace to care for our female employees, so that every female employee can be valued and respected.

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

Dedicated room provided for pregnant mothers



The Company cares for female workers. At Flat Glass, we have set up a rest and nursing room for female employees called "Mommy's Hut" to provide a comfortable, safe and private environment for pregnant mothers in the workplace, highlighting the Company's protection and care for female workers who return to the workplace after giving birth.

Club activities

The Company advocates and encourages a work-life balance for its employees and holds varied activities for employees to create a relaxed and caring team climate, enhance their sense of belonging and cohesiveness, and improve their happiness index. The Company has set up three associations, namely, calligraphy club, art troupe and book club, with a view to stimulating the vitality and creativity of employees with advanced corporate culture, and regularly holds calligraphy contests and internal and external performances to enrich their spare time.

The Group's Six Talent Contest



In December 2020, the Group held the Talent Contest, in which employees fully showcased their talents and brought out wonderful performances such as solo singing, chorus, dance, Yue Opera and sitcom, showing the vitality and vigor of employees. The event brought positive energy and promoted the construction of corporate culture.



Scene of Talent Contest

Flat Glass' Sixth Session Debate Contest



In November 2020, Flat Glass held the Six Debate Contest, in which the debate teams representing different production lines respectively engaged in an impressive contest of ideas on practical topics such as whether the key to corporate culture construction lies in leadership promotion or employee practice, and whether corporate development requires more interdisciplinary talents or professional ones. The event not only enabled employees to have a deeper understanding of the Company's development strategy and corporate cultural development but also enriched their spare time.



Scene of the Debate Contest

Efforts in Empowering Individual Growth

The Company is committed to promoting employee training and development activities, continuously improving the expertise of employees, enhancing their management skills, developing their problem-solving abilities, and optimizing training resources and learning environment to cultivate fast learners and innovative talents, so that we can secure a competitive advantage over peers.

Staff training

By incorporating the learning philosophy of "seeking change while learning to be good at thinking, achieving mastery through a comprehensive study, and learning for practice" into the corporate culture, Flat Glass has developed the *Training Management System*. At Flat Glass, we attach importance to the development of the employee training system while providing diversified internal and external training for all employees to achieve ongoing improvement. In addition, the Company has also set up a special education fund to ensure that employees can enjoy free skill level training and professional proficiency training.

Staff training system overview

Newcomer training

- Employees are required to go through company-level and department-level training on corporate culture, rules and regulations, *employee handbook*, etc. The Human Resources Department and the Safety Training Specialist are responsible for follow-up.

Key position training

- Each department and subsidiary is responsible for counting up the number of the special operation personnel who are not certified and need to be reviewed, filling out the Demand Schedule for Special Trades Outsourcing Training to the Human Resources Department, which will arrange the corresponding training in a centralized manner.

Mentoring system

- It is applicable to the training of new employees, transferred employees and reserve talents. Apprentices enjoy the probationary salary, mentors enjoy the mentoring allowance, and the Human Resources Department randomly checks and supervises the practice and assessment at any time.

Skill contests held



To comprehensively improve the level of operational skills of the Company's staff team, improve the expertise of employees, and further promote safe production, the Company actively participated in the skill contests for network security administrator, electrician, welder, forklift truck driver and other trades held in Xiuzhou District, Jiaxing, and made impressive achievements, with the first prize in the network security administrator skill contest in Jiaxing, the first prize and third prize in the electrician skill contest in Xiuzhou District, and the first prize in the forklift truck driver skill contest in Xiuzhou District, etc.



Scene of electrician skill contest in Xiuzhou District

Scene of forklift truck driver skill contest in the Headquarters Industrial Park

Staff development

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Efforts in occupational skill appraisal



In June 2020, the Group carried out a company-wide occupational skill appraisal for 27 employees, with emphasis on employees' ideology and morality, occupational ability, and work performance report. After passing theoretical examinations and practical operation assessment, a total of 25 persons obtained the occupational skill level certificate.



Scene of the awarding ceremony of occupational skill level certificates

Production safety

In accordance with the principle of "full coverage and zero tolerance", *Law of the People's Republic of China on Work Safety, Guideline of China Occupational Safety and Health Management System* and other laws and regulations, as well as the requirements of relevant production safety regulations and ordinances of Zhejiang Province, the Company has set production safety targets, carried out safety control on production processes, strengthened the development of safety culture, and mobilized emergency response, in order for production safety accidents prevention and reduction and protection of life and property security for the Company and its employees. In 2020, the Company saw zero death for work-related injury.

Set production safety targets	<ul style="list-style-type: none"> Set production safety targets and indicators every year, and assess the implementation of the targets and indicators.
Carry out safety control on production processes	<ul style="list-style-type: none"> Establish a production safety management system and standardize the safety of production processes; Put in place the <i>Management System of Hidden Danger Investigation and Governance</i>, investigate hidden dangers by carrying out safety inspection, and put on file accordingly.
Strengthen the development of safety culture	<ul style="list-style-type: none"> Establish a <i>Safety Education and Training System</i>; Continue efforts to carry out job competence enhancement and production safety training to continuously improve employees' safety awareness.
Mobilize emergency response	<ul style="list-style-type: none"> Formulate the <i>Accident Emergency Rescue System</i>, put in place an emergency command system and an emergency plan for the emergency rescue team; Regular safety emergency drills are carried out to locate the problems existing in the emergency plan by simulating the site of accident, so that continuous improvement can be made for the emergency plan.

Safety education and training held

In May 2020, each workshop of Household Glass Division organized an OHS meeting on OHS training relating to the possible danger points of each position in daily work, the response methods of equipment failure and other key points of safety production. During the training, the safety production officers broke down the key management points and analyzed the cases of previous work-related accidents, thereby increasing the safety knowledge and raising the safety awareness of employees.



PV Glass Division conducted an emergency drill in response to emergencies at the recycling water station



To enhance the awareness on safety precautions of all staff, elevate practical operation proficiency, and minimize the impact on production caused by water stoppage, the Photovoltaic Glass Division conducted an emergency drill in response to water stoppage (decompression) at the circulating station. During the drill, all departments displayed active engagement, teamwork, and smooth communication, thereby achieving a sound effect. The drill also enhanced the staff's ability to cope with emergencies.



Fire training and evacuation drill held



From August to September 2020, the Household Glass Division held fire drills and evacuation drills in all workshops and departments in a centralized manner, provided training on the use of fire extinguishers, and guided abandon drills in response to emergency fire. All these efforts have improved employees' ability to use various types of firefighting equipment and increased their ability to cope with fire safety events such as fires.



Fire training organized by volunteer fire brigade

Emergency evacuation drill conducted by Electrical & Mechanical Department

Chemical management

The dangerous chemicals mainly involved in the production and operation of the Company include: explosives (liquid nitrogen), flammable and explosive gases (oxygen, acetylene, hydrogen, etc.), flammable liquids (ethanol, petroleum ether, acetone, etc.), oxidizers (nitric acid), corrosives (sulfuric acid, hydrochloric acid, sodium chlorate, etc.). The Company has established *Safety Management System for Hazardous Chemicals*

Occupational health

Efforts in Achieving Common Prosperity

As a responsible corporate citizen, Flat Glass is committed to promoting philanthropy on a regular basis and working together with its employees to actively advance various philanthropic activities.

[Efforts in fulfilling our responsibilities] Helped fight COVID-19

COVID-19 tugged at the heartstrings of the Chinese nation at the beginning of 2020. Under such circumstance, the Company took immediate response and strengthened risk management to tackle the coronavirus, built a firm life line for employees, actively resumed work and production, and secured sound operation of the Company with its excellent ability to respond to emergencies. At the same time, the Company mobilized all its Party members to set up a volunteer service team and donate money for pandemic prevention. The Party members took actions, showed love and determination to fully support pandemic prevention efforts.





Donated RMB **1 million** to the Red Cross Society of Fengyang County.

A total of RMB **3,800** was donated by the Party members of Flat Glass Party Branch.

Donated dedicated funds of RMB **2 million** to Charity Federation of Xiuzhou District, Jiaying for anti-COVID-19.

Facilitated the resumption of work and production

The Company produced a speedy plan in response to COVID-19 and took comprehensive measures to ensure the safety of employees for resumption of work and production.

-  Strengthen the management of anti-COVID-19 supplies. The Group's anti-COVID-19 team is responsible for allocating the limited supplies to make the best use of them;
-  Strictly check the foreign vehicles for goods inbound and outbound, standardize the entry and exit of foreign visitors to the Company, and strengthen corporate management during COVID-19;
-  Improve the Company's attendance system and encourage employees to work from home;
-  Actively coordinate with and implement local anti-COVID-19 policies.

Kept our employees safe

The Company has implemented the *Flat Glass Group Employee Guide on pandemic prevention* formulated by the Group, which provides detailed requirements for employee protection before entering the factory, meal management, employee access and other aspects of prevention and control & safety management and tracking management, ensuring the health and life safety of our employees.

At the same time, the Company strengthened the publicity of knowledge on pandemic prevention and improved employees' awareness of health and pandemic prevention through official WeChat account "Photovoltaic Dream", internal WeChat group, slogan publicity in the factory, daily morning meeting and other channels.

Care for vulnerable groups

Flat Glass follows the guideline of being a responsible corporate citizen to help the disadvantaged, promote the development of social welfare, and strive to advance common prosperity with society. The Company has paid attention to the socially disadvantaged groups and encouraged its employees to carry out condolence activities in the homes for the elderly at surrounding communities.

Volunteer service event "Village Spring Gala" held



With the arrival of Spring Festival in January 2020, volunteers from the Company visited Jiaying for "Village Spring Gala", in which they helped field staff set up stage and guide visitors to participate in various games. All these efforts has done good to the success of the community-based activities in celebration of the Chinese New Year. This volunteer service activity not only responded to the call of "wholeheartedly serving the people", but also promoted the inheritance of excellent traditional culture and contributed to the development of a comfortable community.



Provided donations to help fight poverty



In August 2020, the Group participated in the charity donation event organized by Xiuzhou District Federation of Trade Unions, Xiuzhou District Women's Federation and Xiuzhou District Women Entrepreneurs Association to help address poverty in Zoigê County, Sichuan.



Ms. Jiang Jinhua, Vice Chairman and Vice President of the Company, presented at the charity donation event

Extended care to the elderly in the local nursing home



In January 2020, the Company carried out an activity to care for the elderly at a local nursing home in Xincheng Town, bringing greetings and blessings to the aged and giving compassionate care to the aged in the community through different forms such as presenting quilts, fruits and other gifts, on-site calligraphy demonstration and wonderful program performance.



Key Quantitative Performance Indicators

Economic Performance

Indicator	Unit	2020
Operating revenue	RMB '0,000	626,041
Total profit	RMB '0,000	187,390
Net asset per share	RMB	3.54
Social contribution value per share ¹	RMB	0.17

Note:

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

Environmental Performance

Indicator	Unit	2020
Total direct energy consumption ¹	MWh	2,917,055
Direct energy consumption intensity per unit revenue	kWh/RMB '0,000	4,659
Total indirect energy consumption ²	MWh	748,660
Indirect energy consumption intensity per unit revenue	kWh/RMB '0,000	1,196
Water consumption	m ³	4,941,428
Water consumption intensity per unit revenue	m ³ /RMB '0,000	8
Recycled water consumption	m ³	7,034,710
Total waste gas emissions	m ³	7,061,740,041
Nitrogen oxide (NOx) emissions	kg	1,965,286
Sulfur dioxide (SO ₂) emissions	kg	1,072,670
Particulate matter (PM) emissions	kg	99,141
Industrial waste water emissions	m ³	1,700,582
Industrial waste water emission intensity per unit revenue	m ³ /RMB '0,000	3
Ammonia nitrogen (NOx) emission concentration	mg/l	5
Chemical oxygen demand (COD)	tonne	159
Hazardous waste outputs	tonne	352

Indicator	Unit	2020
Hazardous waste outputs intensity per unit revenue	tonne/RMB '0,000	0.0006
Non-hazardous waste outputs	tonne	15,780
Non-hazardous waste outputs intensity per unit revenue	tonne/RMB '0,000	0.025
Scope I Total greenhouse gas emissions	tonne carbon dioxide equivalent	781,236
Scope II Total greenhouse gas emissions	tonne carbon dioxide equivalent	748,660
Total greenhouse gas emissions	tonne carbon dioxide equivalent	1,529,895
Greenhouse gas emission density per unit revenue	tonne carbon dioxide equivalent /RMB '0,000	2

Note:

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

[2]. Indirect energy consumption refers to the use of indirect energy (i.e., purchased electricity) purchased by the Company.

Social Performance

Employment

Indicator	Unit	2020
Total staff	Person	3,575
By gender	Male	2,674
	Female	901
By employment type	Labor contract system	3,440
	Other forms of employment ¹	135
By age group ²	>50 years old	336
	30~50 years old	2,209
	<30 years old	895
By region ³	Employees in Mainland China	3,161
	Employees in Hong Kong, Macau, and Taiwan as well as overseas	279

Note:

[1]. Other forms of employment for the Company include rehiring someone after retirement and labor outsourcing.

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

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

Employment and labor standards

Indicator	Unit	2020
Penalties imposed for violations of employment and labor laws and regulations	Time	0
Total employee discrimination incidents	Incident	0
Total labor dispute incidents ¹	Incident	0
Staff training investments	RMB '0,000	30.5
Staff training coverage	%	100
Male staff training coverage	%	100
Female staff training coverage	%	100
General staff training coverage	%	100
Mid-level staff training coverage	%	100
Management staff training coverage	%	100
Average hours of training per employee per year for all employees ²	Hour	74.1
Average hours of training per male employee per year ³	Hour	79.3
Average hours of training per female employee per year ⁴	Hour	58.8
Training hours per general employee ⁵	Hour	85.1
Training hours per mid-level employee ⁶	Hour	26.6
Training hours per management employee ⁷	Hour	52.0
Number of work-related fatalities	Person	0
Rate of work-related fatalities	%	0
Number of lost-days due to work injuries	Day	2,116

Note:

[1]. The employee turnover rate is calculated using this formula: $\text{turnover rate} = \frac{\text{Total number of retired and resigned employees}}{\text{Total number of employees at the end of the period}} \times 100\%$.

[2][3][4][5][6][7]. 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 management performance

Indicator	Unit	2020
Total suppliers	Supplier	943
By region	Mainland China	785
	Hong Kong, Macao and Taiwan as well as overseas	158

Product Responsibility

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

Note:

[1]. The complaint handling rate in this Report is calculated using this formula:

$$\text{Complaint handling rate} = \frac{\text{Number of complaints handled}}{\text{Number of complaints received}} \times 100\%$$

Anti-corruption performance

Indicator	Unit	2020
Number of embezzlement lawsuits against the Company and its employees	Case	0

Community investment

Indicator	Unit	2020
Total philanthropic investments	RMB '0,000	337.15
Of which, charitable donations total	RMB '0,000	337.15

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

Subject Areas, Aspects, General Disclosures and KPIs		Disclosure Chapter
Subject Areas A. Environmental		
Aspects A1. Emissions		
General Disclosure A1	Relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	Compliance and Business Ethics Environmental Management
KPI A1.1	The types of emissions and respective emissions data.	Emissions Reduction Key Quantitative Performance Indicators
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Quantitative Performance Indicators
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Emissions Reduction
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Emissions Reduction
Aspects A2. Use of Resources		
General Disclosure A2	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Management Efficient Resource Utilization
KPI A2.1	Direct and / or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in 000s) and intensity (e.g. per unit of production volume, per facility).	Key Quantitative Performance Indicators
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Efficient Resource Utilization
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Efficient Resource Utilization
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	No packaging materials involved in the company

Subject Areas, Aspects, General Disclosures and KPIs		Disclosure Chapter
KPI B6.4	Description of quality assurance process and recall procedures	Customer Assurance
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Customer Assurance
Aspects B7.Anti-corruption		
General Disclosure B7	relating to bribery, extortion, fraud and money laundering. a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer	Compliance and Business Ethics
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its subsidiaries during the reporting period	

The Notice on Strengthening the Corporate Social Responsibility of Listed Companies and Issuing the Guidelines of the Disclosure of Environmental Information of Listed Companies of Shanghai Stock Exchange

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Article 3	Consistent
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Article 5.1	Giving Back to Society, Common Prosperity Through Co-existence
Article 5.2	Green Operation, Harmonious Development
Article 5.3	Good Governance, Good Faith Management Customer First, Quality Excellence Giving Back to Society, Common Prosperity Through Co-existence
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Article 7	Consistent



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