

2020

CONTENTS

About This Report	02	
About Flat Glass	03	
		Good Governance and Good Faith Management
		Sound Corporate Governance 07
		Risk Control and Management 08
		Compliance and Business Ethics 10
		Customer First and Quality Excellence 11
		Stringent Quality Control 11
		Safeguarding Customers' Rights and Interests 15
		Ongoing Technology Innovation 17
		Green Operation and Harmonious Development
		Environmental Management 19
		Efficient Resource Utilization 21
		Emissions Reduction 22
Key Quantitative Performance Indicators	40	
	44	Efforts in Safeguarding Employees' Rights and Benefits 25
		Efforts in Empowering Individual Growth 30
	48	Efforts in Keeping Employees Safe 32
		Efforts in Achieving Common Prosperity 37

About This Report

Basis for preparation

This Report is prepared in accordance with the *Environmental, Social and Governance Reporting Guide (2019)* issued by the Securities and Exchange Commission of Hong Kong.

Reporting scope

Source of data

Reporting principles

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>
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Principal businesses

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

<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>
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<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>

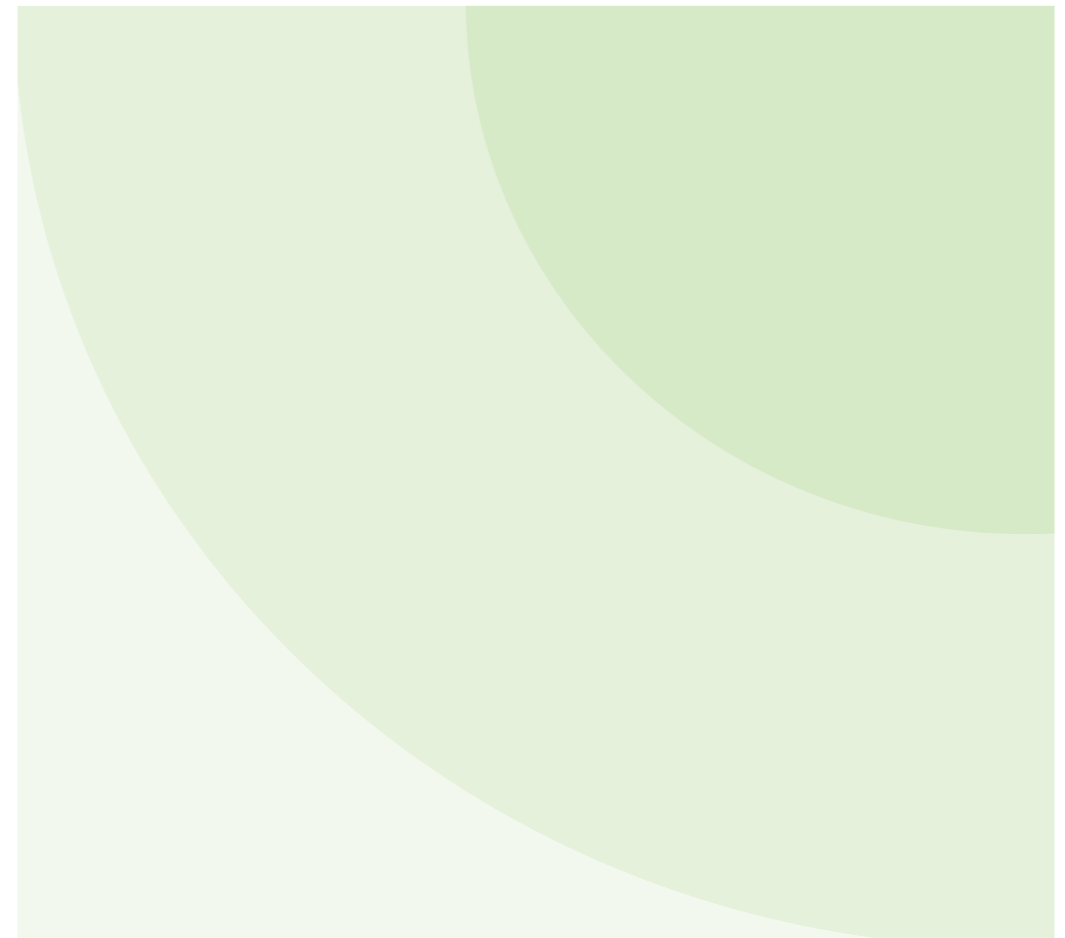
Social Responsibility Management

Idea of social responsibility

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</p>	<p>Green sustainability</p>
<p>Sound management</p>	<p>Win-win through collaboration</p>

Social responsibility management structure





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

Risk Control and Management





Risk management process





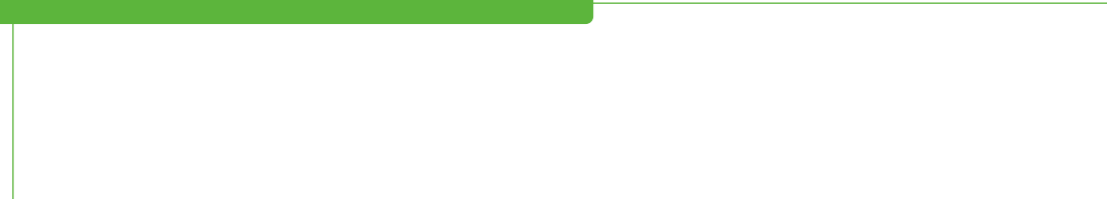
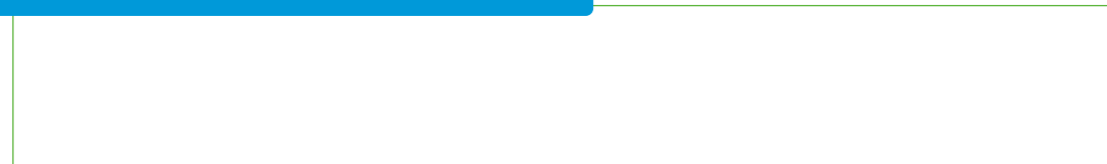
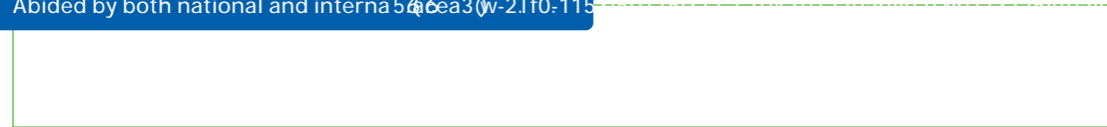
With over 23 years of experience in the glass industry, Flat Glass with a vision of "committed to establishing a global presence in the glass sector", insists on embracing integrity and quality to become a Chinese national brand engaged in the glass industry. The Company has continued its efforts to 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 interna 546ea30w-2Tf0-115





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

Participating in the preparation of the following industry standards

Flat Glass supplier category

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.

Environmental management architecture

Public administration department	<ul style="list-style-type: none"> Oversee, guide and follow up the implementation of the Group's environmental strategic plan.
Comprehensive management department	<ul style="list-style-type: none"> Conduct overall management of the environment and safety work of all subsidiaries/departments of the Group; Respond to and handle major issues and emergencies related to environmental safety.
Environment and safety management of production department	<ul style="list-style-type: none"> Manage the daily environment and safety work of each department, supervise, review, score the environmental work of each department, and follow up its safety.
Environment and safety officers	

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

Waste water discharge management



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.

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.

Caring for staff

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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.

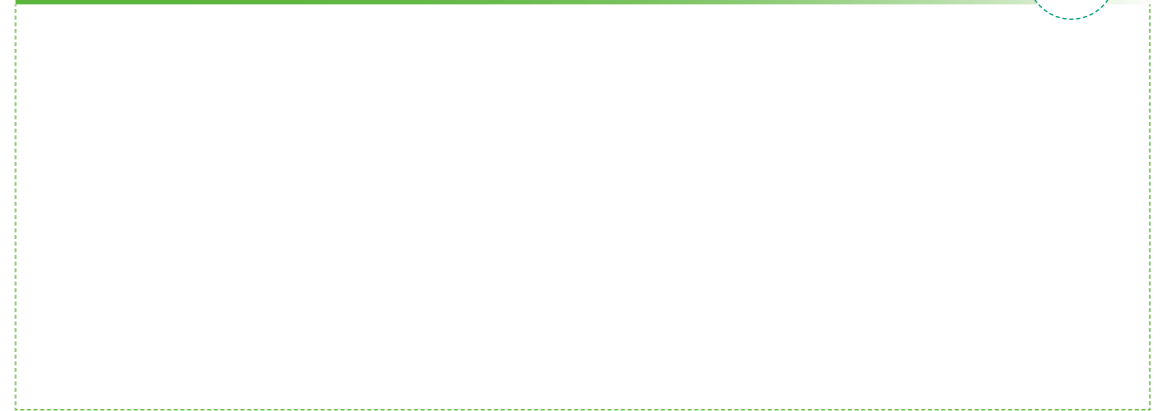
Club activities

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.

Skill contests held



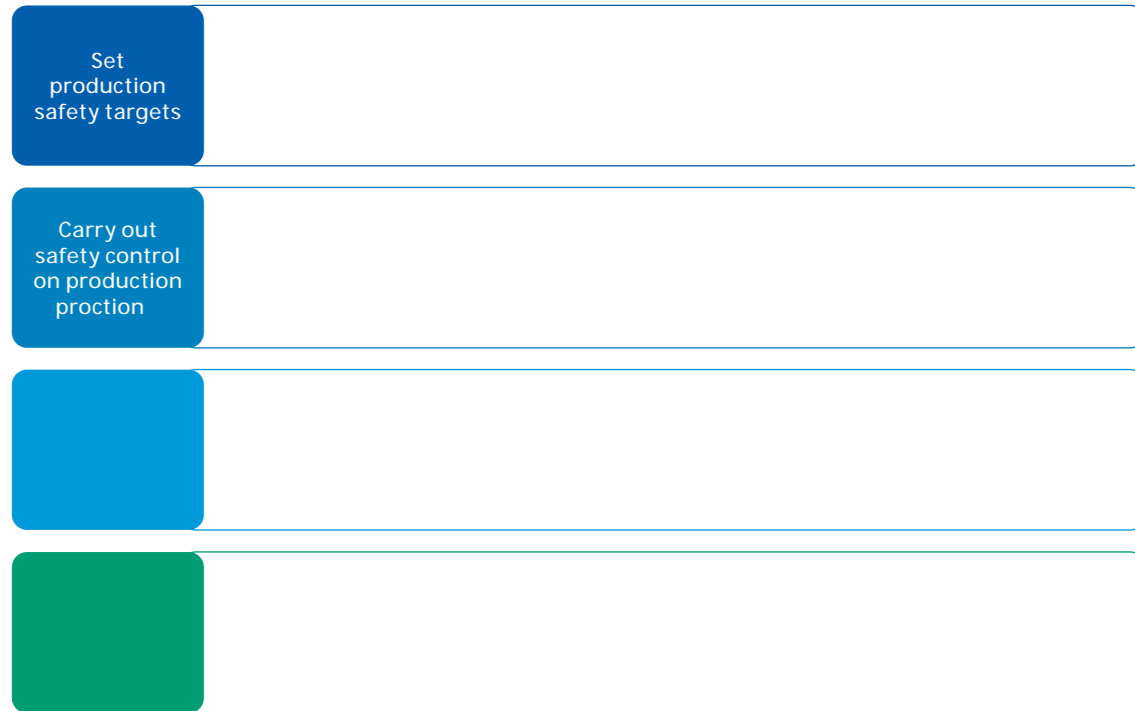
Efforts in occupational skill appraisal





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.



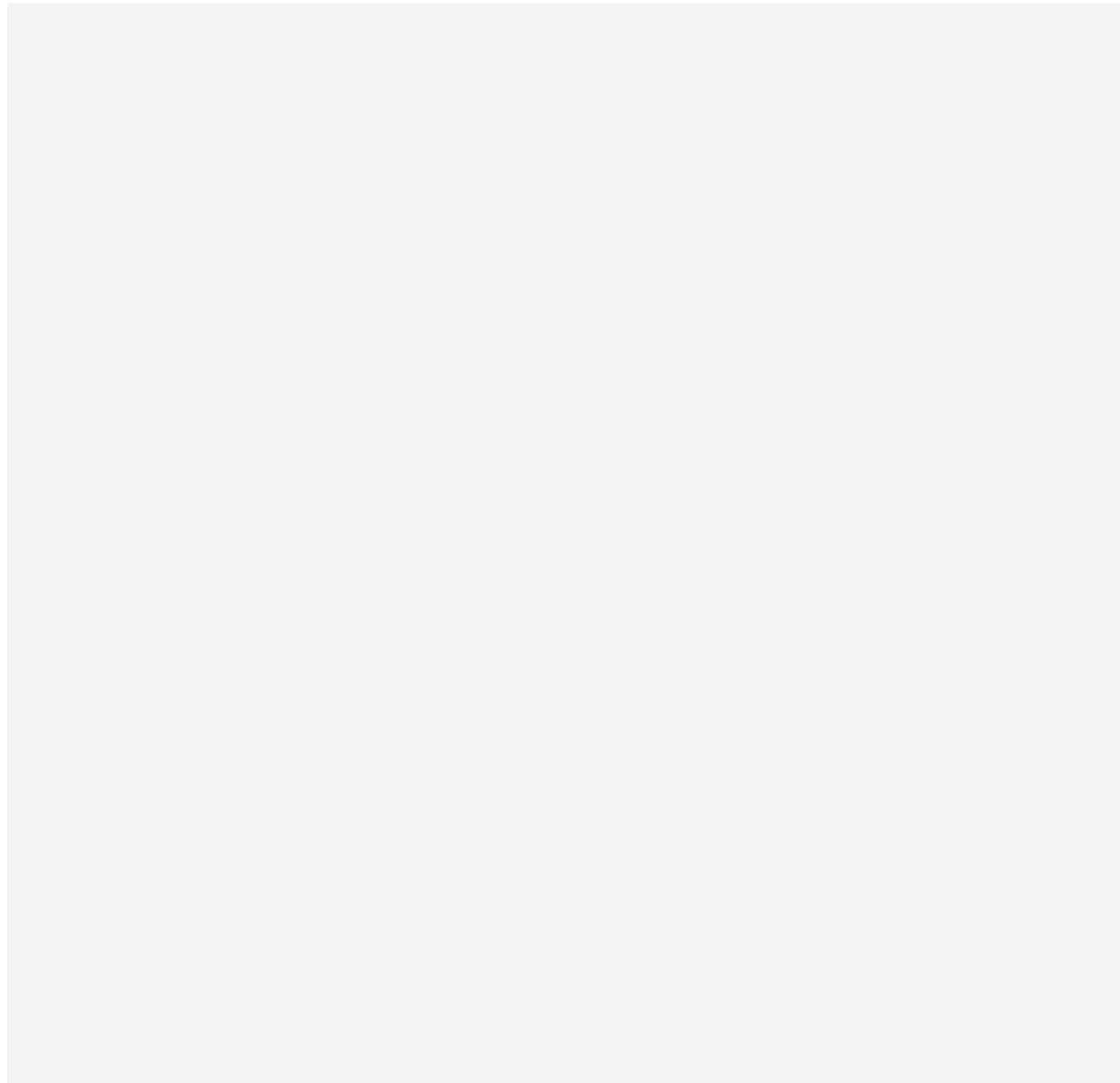


Chemical management

Occupational health



Efforts in Achieving Common Prosperity





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 intensity per unit revenue	tonne carbon dioxide equivalent/RMB '0,000	0.025

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.

Note:

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

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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

Disclosure suggestion	Content index
Article 1	About Flat Glass
Article 2	About Flat Glass Good Governance, Good Faith Management Customer First, Quality Excellence Green Operation, Harmonious Development Giving Back to Society, Common Prosperity Thomm0 5P0nk1 0 ISQq 1 0 0 1 680.3149 394.3654



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