



信義玻璃控股有限公司

XINYI GLASS HOLDINGS LIMITED *Since 1988*

(Incorporated in the Cayman Islands with limited liability)

Stock code: 00868.hk

Hang Seng Index Constituents

信譽至上，義氣爭榮，
自強不息，善待天下。



2022

Environmental, Social and Governance Report

滬港通 深港通



Contents

ABOUT THIS REPORT	2
ABOUT XINYI GLASS	4
CORPORATE GOVERNANCE	10
Board Statement	10
Annual Report 2022 (P.22-32)	10
ESG Governance	11
Care about the Demands of All Stakeholders	12
Materiality Assessment	14
Actively Acquiring ESG Development Recognition	15
Identification and Solution of Risk Issues	17
Green Products Under Sustainable Manufacturing	19
Developing Green Finance for the Green Production	20
ENVIRONMENT	24
Commencing Energy Saving and Consumption Reduction, And Consolidating the Carbon Management	25
Energy-Saving and Emission Reduction by Maximising Resources	41
SOCIAL	47
Fair Corporate System	48
Cultivating And Uniting Talents	57
“Safety First” Principle for Production Management	61
The Build Up of Brand Awareness to Enhance “Awareness on Protection of Intelligent Properties”	66
Safeguarding the Supply Chain	68
Strictly Abiding “Red Line Awareness”	70
Community Care	72
APPENDIX I: METHODS FOR CALCULATING EMISSION DENSITY OR CONSUMPTION DENSITY	79
APPENDIX II: REPORTING GUIDANCE INDEX	81
APPENDIX III: FEEDBACK ON THE REPORT	87

ABOUT THIS REPORT

OVERVIEW

This report is the seventh Environmental, Social and Governance Report (the “Report”) by the Xinyi Glass Holdings Limited (hereinafter refer to as “**Xinyi Glass**” or the “**Group**”) (SEHK Stock Code: **00868**) for external publication, disclosing the Group’s performance in environmental, social responsibility and corporate governance under the principles of quantification, balance and consistency. In this Report, the Group has complied with the disclosure requirement of the “comply or explain” provisions set out in the ESG Reporting Guide. This Report should be read in conjunction with the Annual Report 2022 of Xinyi Glass. This Report is published in two languages, Chinese and English. In case of discrepancy between the two versions, the Chinese version shall prevail.

REPORTING SCOPE

The Report mainly describes the production and business of Xinyi Glass in Greater China region and Malaysia from 1 January 2022 to 31 December 2022, covering the production and sales business of glass owned by Xinyi Glass and its subsidiaries. The data and contents of the Report do not include Xinyi Solar Holdings Limited (SEHK Stock Code: 00968), Xinyi Energy Holdings Limited (SEHK Stock Code: 03868) and Xinyi Electric Storage Holdings Limited (SEHK Stock Code: 08328).

BASIS OF PREPARATION

This Report is prepared in accordance with the latest Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”), Appendix 27 to the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited (the “SEHK”). The Group has calculated the relevant density data by using the calculation method of the carbon management leading team since 2021.

DATA SOURCES AND RELIABILITY STATEMENT

The data used in the Report are obtained from the Group’s annual report, while other data are obtained from the internal sources of the Company or through manual collation. Unless otherwise specified, **Hong Kong dollar** is the unit for all currency amounts listed in the Report. The Board is responsible for the truthfulness, accuracy and completeness of the contents of the Report.

CONFIRMATION AND APPROVAL

This Report has been approved by the directors and management of the Company.



MODE FOR PUBLISHING

The Annual Reports since 2020 and this Report adopt a paperless principle, and the electronic versions of all reports are available on the Group's website (<http://www.xinyiglass.com>) and the SEHK website (<http://www.hkexnews.hk>).

If you have any inquiries or suggestions regarding the contents of this Report, please communicate with us. Our contact details are as follows:

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ABOUT XINYI GLASS

ABOUT THE COMPANY

Xinyi Glass Holdings Limited, one of the major leading manufacturers in the global glass supply chain, was founded in 1988 and listed on the main board of the SEHK on 3 February 2005 (SEHK Stock Code: 00868). The Company provides a wide range of products, covering the fields of high-quality float glass, automobile glass, energy-saving architectural glass, etc. In 2021, Xinyi Glass was admitted as a constituent stock of the Hang Seng Index, at the same time, the share of Xinyi Glass is also a constituent stock of the Hang Seng Composite Index, the HSI ESG (environmental, social and governance) Index, the Hang Seng Composite Industry Index – Industry and Hang Seng Composite Large Cap Index etc. (Please refer to p.5 for the details of the relevant indexes). Apart from the overseas production base in Malaysia, the Xinyi Glass' ten existing industrial parks in China-Dongguan, Shenzhen, Jiangmen, Wuhu, Tianjin, Yingkou, Deyang, Beihai, Zhangjiagang and Chengmai have already covered the most economically active areas, including the Greater Bay Area, Yangtze River Delta Region, Beijing-Hebei-Tianjin Region, Bohai Economic Rim and Western Chengdu-Chongqing Economic Zone. Those bases occupy a total gross floor area of more than 7.5 million square meters with more than 15,000 existing employees.

As a global leading manufacturer of high-quality float glass, Xinyi Glass is currently ranked the first in the PRC and Asia in terms of daily melting capacity as of 31 December 2022. Xinyi Glass has a long-term commitment to the research and development of high-tech and environmentally friendly energy-saving products. The Company is one of the very few manufacturers in the industry that could make a major breakthrough in the production technology for the ultrathin and ultra-thick high-end float glass, with a range from 0.3mm to 25.0mm thickness. To satisfy the individual needs of domestic and overseas customers as well as from the fields of automobile glass, energy-saving architectural glass, office and home appliances glass and others, apart from the clear glass under regular production, various specially colored series of glass in ultra-clear, green, gray, brown and blue, etc. are produced. Relying on the advanced production technology and excellent supporting management, Xinyi Glass has formed a lateral chain of integrated production and sales from the raw materials to the high-quality float glass production and the downstream processing of the glass products. This effectively reduces the production and logistics costs, improves efficiency and achieves the scale advantages.

Being one of the largest automobile glass manufacturers in China, Xinyi Glass operates automobile glass production lines in the industrial parks in Shenzhen, Dongguan, Wuhu, Tianjin, Deyang, Beihai and Chengmai. We account for over 25% of the global automobile glass aftermarket sector, and our products and solutions have been used in more than 140 countries and regions across the world. Our major products include SOLACO and SOLAR-X heat reflective automobile glass, laminated windshields, tempered auto glass, tempered automobile glass with heating elements, laminated automobile glass with heating lines, automobile sunroofs and soundproof automobile glass. With the high-end supporting R&D system and the data exchange platform with the automobile manufactures, Xinyi Glass is able to keep up the pace with the latest product development, and hence, become the best partner of many automobile companies across the world.

Xinyi Glass, one of the largest high-end environmentally friendly energy-saving low emission coating ("**Low-E**") glass suppliers in China, operates energy-saving architectural glass production lines in industrial parks of Dongguan, Jiangmen, Wuhu, Tianjin, Yingkou, Deyang, Beihai, Zhangjiagang and Malacca, Malaysia. Its high-quality energy-saving architectural glass products include Low-E, heat reflective coated glass, insulated glass, tempered glass, laminated glass, silkscreen printed glass, etc. Xinyi Glass has supplied high-quality environmentally friendly and energy-saving architectural glass products to landmark buildings in cities of China and other countries, such as the 2010 Shanghai Expo China Pavilion, the main stadium of the World Universiade, Digital Beijing, the Passenger Clearance Building of the Hong Kong Port of Hong Kong-Zhuhai-Macao Bridge, Guangzhou Victory Building, Tokyo Skytree and Singapore Biopolis Valley, etc.

Besides, Xinyi Glass upholds the mission "**Leading a Green New Life**". In terms of environmental protection, the Group values the optimisation of resources with an expectation to reduce waste and emission. Meanwhile, through continuous product innovations, we hope to join hands in contributing to a green and energy-saving society.

Our corporate vision is "**To Establish a Remarkable Glass Enterprise and Achievements of World Class Brand.**" The Group has been committed to providing the right products, services and solutions to meet customers' requirements in order to facilitate the long-term value creation and potential growth for our customers and working partners. At the time of running the business, Xinyi Glass also puts full efforts in planning several missions in favor of sustainable development. We care about our employees from various dimensions and offer them various learning opportunities and organised activities – seeking to give them a joyous feeling of "Home".

**SOME OF THE RELEVANT INDEXES THAT INCLUDED OUR COMPANY
(AS OF THE FOURTH QUARTER OF 2022)**



恒生指數

HANG SENG INDEXES

1	Hang Seng High Dividend Yield Index	21	Hang Seng Stock Connect Greater Bay Area China Dividend Yield Select Index	41	Hang Seng Stock Connect Hong Kong Composite Index
2	SCHK High Dividend Yield Index	22	Hang Seng Stock Connect Greater Bay Area China Dividend Yield Comprehensive Index	42	Hang Seng China High Dividend Yield Index
3	HSI ESG Enhanced Select Index	23	Hang Seng Stock Connect Greater Bay Area China Low Volatility Comprehensive Index	43	Hang Seng Mainland China Companies High Dividend Yield Index
4	HSI ESG Enhanced Index	24	Hang Seng Stock Connect China 500 Index	44	Hang Seng China (Hong Kong-listed) 100 Index
5	Hang Seng Climate Change 1.5° C Target Index	25	Hang Seng Stock Connect Greater Bay Area Quality Growth Index	45	Hang Seng Commerce and Industry Sub-index
6	Hang Seng Large-Mid Cap Equal Weighted Factor Mix (QVLM) Index	26	Hang Seng Stock Connect Greater Bay Area Composite Index	46	Hang Seng Large-Mid Cap Quality Select Index
7	Hang Seng Large-Mid Cap Risk Parity Factor Mix (QVLM) Index	27	Hang Seng Stock Connect Greater Bay Area New Economy Index	47	Hang Seng Large-Mid Cap Quality Comprehensive Index
8	HIS low Carbon Index	28	Hang Seng Stock Connect Greater Bay Area Innovation Top 50 Index	48	Hang Seng Large-Mid Cap Value Select Index
9	HSI ESG (environmental, social and governance) Index	29	Hang Seng Stock Connect Greater Bay Area High Dividend Yield Index	49	Hang Seng Large-Mid Cap Value Comprehensive Index
10	Hang Seng Composite Index	30	Hang Seng Stock Connect Greater Bay Area Hong Kong Index	50	Hang Seng Large-Mid Cap Low Size Select Index
11	Hang Seng Composite Industry Index - Industrials	31	Hang Seng Stock Connect Greater Bay Area Industrials Index	51	Hang Seng Large-Mid Cap Low Size Comprehensive Index
12	Hang Seng Composite Large Cap Index	32	Hang Seng Shanghai-Shenzhen-Hong Kong (Selected Corporations) 300 Index	52	Hang Seng Large-Mid Cap Momentum Select Index
13	Hang Seng Composite LargeCap & MidCap Index	33	Hang Seng Equal Weighted Index	53	Hang Seng Large-Mid Cap Momentum Comprehensive Index
14	Hang Seng Stock Connect Greater Bay Area China Quality Select Index	34	Hang Seng SCHK New Economy Index	54	Hang Seng Large-Mid Cap Dividend Yield Select Index
15	Hang Seng Stock Connect Greater Bay Area China Quality Comprehensive Index	35	Hang Seng SCHK High Dividend Yield Index	55	Hang Seng Large-Mid Cap Dividend Yield Comprehensive Index
16	Hang Seng Stock Connect Greater Bay Area China Value Select Index	36	Hang Seng Stock Connect Hong Kong Index	56	Hang Seng Large-Mid Cap Low Volatility Select Index
17	Hang Seng Stock Connect Greater Bay Area China Value Comprehensive Index	37	Hang Seng SCHK ex-AH Companies Index	57	Hang Seng Large-Mid Cap Low Volatility Comprehensive Index
18	Hang Seng Stock Connect Greater Bay Area China LargeMid Cap Low Size Select Index	38	Hang Seng SCHK Mainland China Companies Index	58	Hang Seng Large-Mid Cap (Investable) Index
19	Hang Seng Stock Connect Greater Bay Area China Large-Mid Cap Low Size Comprehensive Index	39	Hang Seng Stock Connect Hong Kong Greater Bay Area Index		
20	Hang Seng Stock Connect Greater Bay Area China Momentum Comprehensive Index	40	Hang Seng Index		



**SOME OF THE RELEVANT INDEXES THAT INCLUDED OUR COMPANY
(AS OF THE FOURTH QUARTER OF 2022) -MSCI (EXTRACT)**



1 AC AP/INDUSTRIALS	11 MSCI World Ex Select Securities 100% Hedged to USD	21 WORLD HIGH DIVIDEND YIELD
2 AC ASIA ex JAPAN	12 MSCI World Ex Ungc & Cw 100% Hedged to USD	22 WORLD IMI SELECT TREND ACCELERATORS
3 AC ASIA ex JAPAN HIGH DIVIDEND YIELD	13 NT AC ASIA ex JP CUSTOM ESG INDEX	23 WORLD INDUSTRIALS 35/20 CAPPED
4 AC ASIA PACIFIC	14 NT PACIFIC CUSTOM ESG	24 WORLD INDUSTRIALS ESG REDU CARB SEL20 35
5 AC ASIA PACIFIC ex JAPAN	15 NT WORLD CUSTOM ESG INDEX	25 WORLD ISLAMIC
6 AC ASIA PACIFIC QUALITY	16 PACIFIC	26 WORLD MID CAP
7 AC FAR EAST ex JAPAN	17 PACIFIC ex JAPAN	27 WORLD MID CAP EQUAL WEIGHTED
8 ACWI	18 PACIFIC ex JAPAN ESG SCREENED	28 WORLD QUALITY
9 ACWI ESG UNIVERSAL 5% ISSUER CAPPED	19 PACIFIC ex JAPAN ESG ENHANCED FOCUS CTB	29 WORLD RISK WEIGHTED
10 ACWI ex TC AD CAPPED 2.0x ESG UNIVERSAL	20 PACIFIC ex JAPAN ex CONTROVERS WEAPONS	30 WORLD SECTOR NEUTRAL QUALITY



* MSCI has no formal Chinese translation name

2022 FINANCIAL DATA AND ESG HIGHLIGHTS



2022 CORPORATE MILESTONES

January	Selected as one of the "Top 500 Chinese Listed Companies by Market Capitalisation" of 2021 by Wind Info. (Wind)	Garner "Most Valuable Industrial Manufacturing Company" Title at Sixth "Golden Hong Kong Stocks Awards" co-organized by Zhitong Caijing (智通財經) and Hithink RoyalFlush Finance (同花順財經)
March	2021 annual results recorded another historic high	
April	Included in the 5th "New Fortune Best IR of Hong Kong Listed Companies" List	
May	Won the honorary title of the Forbes "Global 2000" again	
June	Ranked No. 3 among the "Best IR Company" and "Best Environmental, Social and Corporate Governance", "Best Chief Executive Officer" and "Best Chief Financial Officer" held by Institutional Investor in 2022	
July	Selected as the Forbes 2022 "Most Sustainable Employers of the Year"	Included in the "2022 Fortune China 500" List
August	2022 interim results	
September	Re-elected as "Best Investor Relations (CFO)" at the 8th Hong Kong Investor Relations Awards	
October	CFO Ranks 9th in "Top 100 CFOs of Chinese Companies Listed in Hong Kong and the US" by Barron's China	

MISSION



ENTERPRISE VISION

Establish a Remarkable Glass Enterprise and Achievements of World Class Brand



ENTERPRISE MISSION

Leading a Green New Life



CORE VALUES

Trust, Integrity, Passion and Care



CORPORATE GOVERNANCE

BOARD STATEMENT

Xinyi Glass expects to improve the importance of sustainable development in the enterprise. The first step is effective and comprehensive ESG governance, which lays an important cornerstone for corporate's path towards sustainable development in the future through establishment of relevant mechanism.

The Board is the highest decision-making organization for ESG management. It is responsible for reviewing the Group's policies and risks related to ESG, defining ESG reporting scope and granting power to formulate corresponding strategies and policies to CEO. To set and implement relevant targets in more detail and monitor progress, the Group has established various groups led by CEO for promoting works and completing targets and then reporting to the Board, thus making sure that the Group considers ESG factors in its business operation and future development, conveying importance of ESG from top to bottom and together implementing ESG works.

In addition, the Group keeps communication with stakeholders through various channels including general meetings and questionnaires, and identifies importance of each ESG issue from various aspects. Relevant results will be reported to and reviewed by the Board. For those issues which are judged as key issues, the Board will pay close attention and establish works including determination of general direction of sustainable development and promotion methods etc. for the issues.

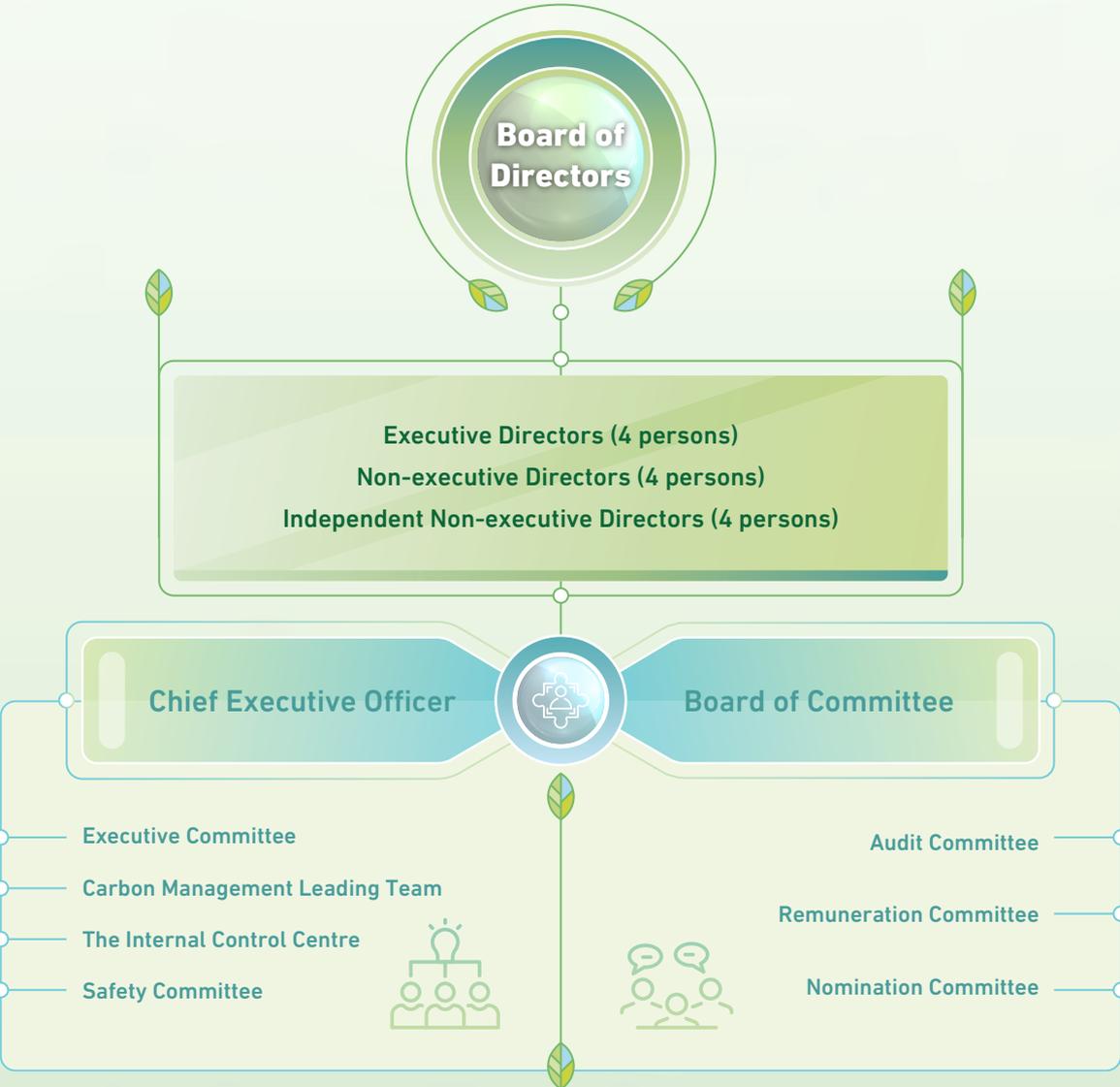
In 2021, the management conducted key review and supervision on ESG governance structure, materiality assessment regarding issues of the ESG report, identification of risks brought by climate change and other related ESG and their corresponding solutions, energy-saving and emission reduction, and works in safety production, and passed ESG targets set by each relevant group. We will continuously pay close attention to the future trend of sustainable development, update and introduce available actions as appropriate, and continuously increase investment in sustainable development.

This report makes detailed disclosures on Xinyi Glass's ESG work content in 2022, which have been approved by the Board on 28 April 2023.

Please refer to pages 22-32 of the Group's Annual Report 2022, as part of the Corporate Governance Report, for corporate governance during the year.

ESG GOVERNANCE

The Environmental, Social and Governance Report for the year has been approved by the board of directors before being uploaded to the SEHK website. The Group recognizes the importance of ESG management and expects to bring the concept of sustainable development to the society, customers, employees, industry and other stakeholders through better ESG development, so as to shoulder its corporate social responsibility.



CORPORATE GOVERNANCE

The board of directors is the highest decision-making organization for ESG management. It consists of four executive directors, four non-executive directors and four independent non-executive directors. The Group intends to add one or more female director(s) before end of 2024, to increase the diversity of directors. Each director has different expertise and experience, and has established an audit committee, a remuneration committee and a nomination committee (for the responsibilities of the main committees, please refer to the 2022 Annual Report p.25-26) to be responsible for corporate governance. At the same time, the board reviews the Group's ESG-related policies and risks, and empowers the chief executive officer to formulate corresponding strategies and policies. In order to set and implement relevant goals in more detail and monitor the progress, in addition to the executive committee, the Group has successively established a carbon management leading team, an internal control center and a safety committee. The members of each organisation will be composed of relevant department management and employees. In order to promote work more efficiently and accomplish goals, and make members pay attention to the development of ESG, relevant organizational members will set up relevant key performance indicators in their assessment coefficient to convey the importance of ESG from top to bottom. All relevant organizations are led by the chief executive officer and report to the board of directors to ensure that the Group considers ESG factors in business operations and future development, and can fully review and effectively manage ESG risks and target progress, so as to participate in more targeted work including ESG materiality assessment and review of annual ESG reports.

CARE ABOUT THE DEMANDS OF ALL STAKEHOLDERS

Xinyi Glass attaches great importance to the participation of stakeholders, including customers, government, investors, employees, etc. Through various channels, including general meetings, emails, investor meetings, questionnaire surveys, etc., we actively obtain the opinions and expectations of various stakeholders on the environmental, social and governance aspects of the Company, which will serve as an important reference for the Company to formulate future plans and sustainable development.

STAKEHOLDERS	STAKEHOLDERS' EXPECTATIONS	COMMUNICATION MECHANISM
 Government	Compliance with laws and regulations	Respond to regulatory requirements
	Respond to national development strategy	Meetings
	Local economic development	Regular and random inspections
	Public welfare	Reception on visits
 Customers	Quality products	Daily communication through meetings, phone call and Internet
	Good pre-sales and after-sales services	Satisfactory survey
	Consumer rights protection	Visits to customers
	Information safety and privacy protection	

STAKEHOLDERS	STAKEHOLDERS' EXPECTATIONS	COMMUNICATION MECHANISM
 Investors/ shareholders	Transparent and open corporate governance	Information disclosure
	Income return	General meetings
	Risk and compliance management	Investor relations activities
	Risks related to climate change	Routine visits and communications
		Communication through mail
 Employees	Reasonable remuneration and benefits	Remuneration and benefit system
	Safe working environment	Labour union activities
	Visible development opportunities	Training activities
		Internal office system
 Partners	Open and fair procurement	Suppliers' conferences
	Compliance with agreement	Suppliers management system
	Win-win situation	Site visits
 Local communities/ environment	Environmental protection	Environment evaluation
	Corporate responsibility	Site visits
	Community involvement	Emission management system
		Community welfare activities

MATERIALITY ASSESSMENT

The Group refers to the “How to Prepare an ESG Report: a Step-by-Step Guide to ESG Reporting” published by the HKEX, and through communication with stakeholders (including daily communication and “Xinyi Glass 2021 ESG Material Issues Identification Questionnaire”), the relevant materiality has also been approved by the board of directors. The Group assesses its materiality on the impact scope (internal and external) of the identified relevant issues and the degree of impact on the business and stakeholders, and combines the materiality analysis, the results are as follows:



ACTIVELY ACQUIRING ESG DEVELOPMENT RECOGNITION

Xinyi Glass has always been pursuing sustainable development. In order to enhance the transparency, in recent years, Xinyi Glass actively and voluntarily participate in a number of domestic and international assessments from relevant rating agencies, including MSCI ESG, Global Carbon Disclosure Project (CDP), DJSI Corporate Sustainability Assessment (CSA), enabling investors and relevant stakeholders to have a better understanding on our sustainable development direction and its actual effectiveness, and at the same time enabling us to have a better understanding on the industry and international standards so as to strive for improvement and to move with the times.

Some of our sustainable development achievements have been recognized by domestic and international indexes. As of 31 December 2022, Xinyi Glass has been included in indexes including HSI ESG Index, HSI Low Carbon Index, NT PACIFIC CUSTOM ESG, PACIFIC ex JAPAN ESG SCREENED, WORLD ESG SCREENED.

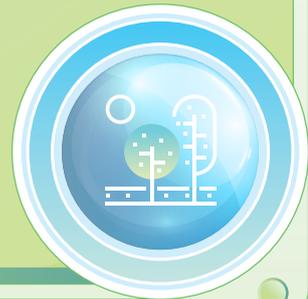
Agency rating participated in:

- MSCI ESG
- Global Carbon Disclosure Project (CDP)
- DJSI/Corporate Sustainability Assessment (CSA)
- HKQAA
- Substainalytics ESG Risk Rating



Indexes included in:

- HSI ESG INDEX
- HSI LOW CARBON INDEX
- ACWI ESG UNIVERSAL 5% ISSUER CAPPED
- ACWI ex TC AD CAPPED 2.0X ESG UNIVERSAL
- ACWI SELECT ESG SCREENED
- MSCI ACWI ESG UNIVERSAL 5% ISSUER CAPPED 100% HEDGED TO GBP
- MSCI ACWI ex TC AD CAPPED 2.0X ESG UNIVERSAL 100% HEDGED TO GBP
- NT AC ASIA ex JP CUSTOM ESG INDEX
- NT PACIFIC CUSTOM ESG
- NT WORLD CUSTOM ESG INDEX
- PACIFIC ex JAPAN ESG SCREENED
- PACIFIC ex JAPAN ESG ENHANCED FOCUS CTB
- PACIFIC ex JP ESG UNI SEL BUSN SCREEN
- WORLD ESG ENHANCED FOCUS CTB
- WORLD ESG SCREENED
- WORLD ESG UNIVERSAL SEL BUSINESS SCREEN
- WORLD ESG UNIVERSAL SELECT
- WORLD INDUSTRIALS ESG REDU CARB SEL20 35
- WORLD SELECT ESG SCREENED
- WORLD ex SWITZ ESG SCREENED ex SEL SEC



IDENTIFICATION AND SOLUTION OF RISK ISSUES

Climate change is a global concern, Xinyi Glass always concern about the relevant risks to the enterprise brought by climate change, as a leading glass manufacturer in the world, the Group actively responds to the demands of various stakeholders. In 2021, the Group formed a carbon management leading team to make relevant risk assessments and countermeasures in order to minimize the effects of ESG risks to its businesses. At the same time, the Group is also made aware of various parties' concern on the risks of the Group caused by climate change and answer related concerns through questionnaires, mails, investor conferences and other channels.



Identified Risks	Corresponding Countermeasures
<p>Energy risk</p> <p>The energy crisis is becoming more and more serious all over the world, with fuel supply shortages, rising prices, power outages and curtailment measures in some places so that the daily life is greatly affected.</p>	<p>The Group has provided renewable energy including distributed solar power and residual heat in various industrial parks, which account for approximately 30%-50% of the total electricity consumption. In the future, we will further explore to increase the use of renewable energy and aim to reduce the consumption density of each energy.</p>

<p>Image risk</p> <p>Environmental and climate awareness of parties in the society, including the public and investors, has been on the rise. If we fail to meet our environmental protection goals, the share price and the Company's image might be affected.</p>	<p>We actively participate in the rating organized by a number of rating agencies in order to enhance the transparency. Multiple channels for all stakeholders are also provided for communication with the Group to reduce related concerns.</p>
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The Group welcomes all suggestions. The management also takes high priority on ESG-related issues. In the future, we will improve the existing operation mechanism to more effectively manage relevant risks.

GREEN PRODUCTS UNDER SUSTAINABLE MANUFACTURING

Green Production

Based on the principle of “the responsibility falls on the manager”, the person responsible for production management acts as the principal person in charge of all environmental protection work. Each of the companies and departments fully cooperates with well-defined duties and a clear division of responsibilities, which effectively facilitates all environmental protection work. Xinyi Glass has obtained ISO14001 environmental management system certification, ISO45001 occupational health and safety management systems, ISO50001 energy management system and ISO9001 quality management system certification, and operates in strict compliance with the system requirements.

Natural gas, a clean energy, is adopted as the fuel for the float glass production line in each location. Compared to traditional energy, the pollution is thus lowered. Online fume and gas monitoring system is established, and the emission information will be uploaded to local environmental protection bureau in real-time to be monitored by them. Xinyi Glass carries out improvement projects to promote environmentally friendly energy-saving and consumption reduction actions. Hot water and part of the electricity supply for all living areas achieved self-sufficiency by effectively making use of residual heat from the furnace of float glass, and by installing distributed solar power generation system at all industrial parks, thus Xinyi Glass effectively reduces energy consumption and fulfils the needs of living of its staff. In addition, through the projects of improving lighting equipment in production workshops, managing the electricity consumption of production equipment and implementing the Group’s material control system, etc., Xinyi Glass significantly facilitates the achievement of the Group’s goal of energy-saving and consumption reduction. All Xinyi staff members provide valuable inputs and take action to make their own contributions to the enterprise’s goal of “building a green, energy-saving and environmentally friendly enterprise”.

In accordance with the Environmental Protection Law of the People’s Republic of China, the Environmental Impact Assessment Law of the People’s Republic of China, the Regulations on the Administration of Construction Project Environmental Protection and other relevant local laws, all new industrial parks have engaged third parties to prepare environmental impact assessment reports on the sites, including analysis and advice on various aspects such as pollution caused by the project, current status and investigation of the site of the industrial park, impact forecast, protection measures and feasibility, environmental and economic profit and loss.

All newly-established industrial parks of the Group are compile with the laws and regulation of the PRC and local governments. In order to reduce pollution, during the construction of the project, sewage is discharged through “rain and sewage diversion” and “clean and sewage diversion”, and sewage treatment facilities are set up to recycle sewage after treatment, meeting the requirements of stable and up-to-standard discharge. All float glass production lines are planned to utilize natural gas, a type of clean energy, as the fuel, desulfurization and denitrification equipment are set up, and dust removal system is adopted, which effectively reduced the dust generated during the transfer, measure and distribution of raw materials of glass, glass furnace exhaust gas, and dust and uncontrolled exhaust gas from ammonia storage tank, etc., generated in the preparation process of raw materials. At the same time, the layout design of the plant area was reasonably carried out. By adopting noise reduction measures such as vibration reduction and sound insulation, and then by leveraging on distance attenuation, the noise at the plant area met the Class 3 standard in the Emission Standard for Industrial Enterprises Noise at Boundary (GB12348-2008). In addition, a fixed centralised waste storage location is planned to facilitate centralised disposal, and the temporary solid waste storage site is constructed and maintained in strict compliance with the requirements of the Standard for Pollution Control on Hazardous Waste Storage and its modification order (2013) and the Standard for Pollution Control on the Storage and Disposal Site for General Industrial Solid Wastes and its modification order (2013). During the construction of project, the prevention and control measures of groundwater and soil pollution are controlled by the generation, seepage, diffusion and emergency response of pollutants in accordance with the principle of combining source control, zoning control, pollution monitoring and emergency response, so there will be no significant impact on the regional soil and groundwater environment.

CORPORATE GOVERNANCE

After the industrial parks commenced production, we have established an environmental protection online real-time monitoring system in accordance with the Measures for the Administration of Automatic Monitoring of Pollution Sources, in order to ensure that the emission data meets the national and local requirements. While expanding its business, the Group also pays attention to the impact on the surrounding environment, residents and all stakeholders, achieving a balance in many aspects through assessments and exchanges.

DEVELOPING GREEN FINANCE FOR THE GREEN PRODUCTION

Xinyi Glass maintains friendly cooperation relationship with a number of banks, and supports the development of green finance in Hong Kong and the PRC. Since 2019, Xinyi Glass obtained the Pre-issuance Stage Certificate of the Green Finance Certification Scheme: 2018 issued by the Hong Kong Quality Assurance Agency, and received a total of HK\$3.6 billion green related loans from various banks during the period from 2019 to 2020. In 2021, the Second Party Opinion from the Hong Kong Quality Assurance Agency based on the Group's Green Finance Framework was also obtained again. HK\$7.43 billion of green loans have been approved throughout the year. All related bank loans were utilised in the green projects of the respective industrial parks.

Xinyi Glass also participated in a syndicated sustainability-linked loan for the first time in 2022, the relevant performance goals included the greenhouse gas emission and energy consumption levels related to the production activities of the Group. The Group also made annual promise on reducing the greatest strength and intensity, so as to accept monitoring from the public on our energy saving and consumption reduction. Apart from acquiring green capital, the Group expects to showcase its dedication on green production, and sustainable development projects will continue to be the development direction of the Group in the future.

GREEN PRODUCTS

On top of adopting green production, the Group also mainly focuses on green products in its product research and development. In 2020, the Group successfully launched a new automobile glass product, SOLACO, providing another choice of energy-saving automobile glass in the market with better heat insulation, sound-proof and UV protection functions. Continuous sales of automobile glass SOLAR-X and Low-E glass that accounts for a significant proportion among architectural glass provide more environmentally friendly products for customers to choose from, which contribute more directly to energy-saving and emission reduction.

AUTOMOBILE GLASS

SOLACO is a type of automobile glass with heat insulation and sound-proofing properties that is developed by Xinyi Glass as its next generation product. By making use of nano material infusion technology, SOLACO features heat insulation, sound-proofing, UV protection and other functions.



CORPORATE GOVERNANCE

The other heat reflective automobile glass, SOLAR-X, is a type of infrared reflecting coating laminated glass (patent no. 2006 2 0059916.5) which is manufactured with the most advanced equipment and technology at present. This product is formed when the surface of high-quality semi-finished clear float glass is plated with many layers of Low-E coatings before it is subject to heat bending and lamination.

Product characteristics:

- 60% or above of the heat radiation in sunlight are being blocked, thus reducing the accumulation of heat within the vehicle, reducing the load of automobile air conditioners and fuel consumption.
- More than 99% of the UV light are being blocked, protecting the fiber and fabrics inside the vehicles from fading and change in colour, reducing the scorching hot felt by drivers and passengers on their skins, thus enhancing the comfort of drivers and passengers.
- A 70% of visible light transmittance (75% for products exported to Europe) to ensure a broad view, safety and comforts for drivers.

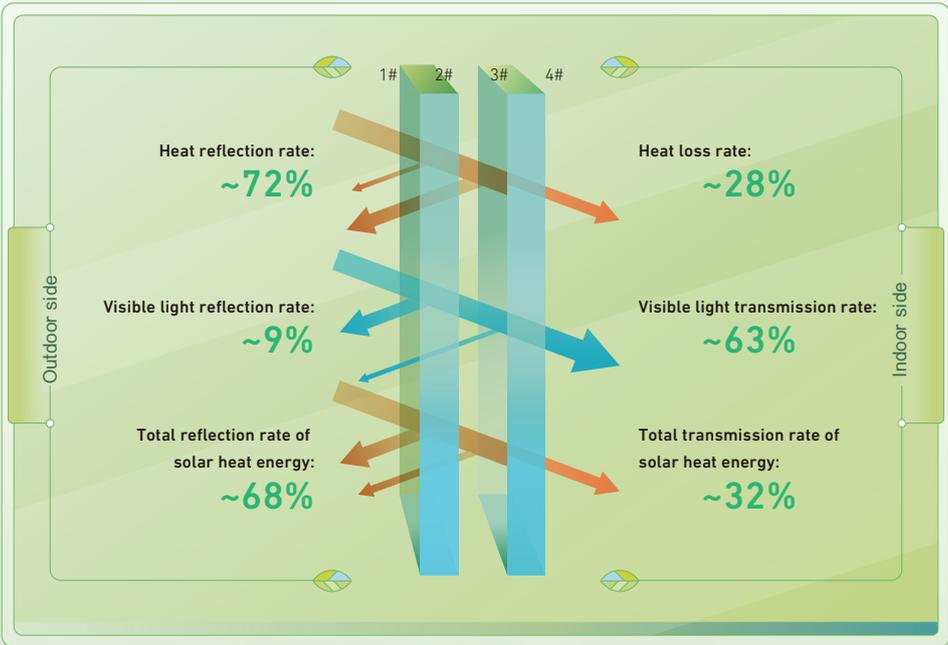


ARCHITECTURAL GLASS

Low emission coating glass or Low-E glass is the preferred type of energy-efficient construction material for green energy-saving buildings advocated by the state. Its energy-saving properties meet the required compulsory national standards for energy conservation in terms of materials used in public buildings and residential buildings. After coating the surface of regular building glass with metallic silver and auxiliary coating, it is combined with another piece of glass through various processes into a double glazed glass with dry air in between. Compared to regular energy-saving glass, low-E double glazed glass can, through utilizing silver's very high reflectivity for heat radiation, keep heat from sunlight outdoors in summer as much as possible, while ensuring sufficient natural lighting indoors. In winter, such glass can better prevent indoor heat from escaping outdoors through the glass, which significantly facilitate energy-saving efficiency of buildings.

According to the number of silver layers contained in the coating structure, it can also be divided into single silver Low-E glass, double silver Low-E glass and triple-silver low-E glass. On some occasions, a kind of Low-E product with high transmittance and very low shading coefficient is needed. Double-silver Low-E glass came into being under such circumstance. In normal cases, if the shading coefficient is the same, double-silver Low-E glass has higher visible light transmittance than single-silver Low-E glass. Triple-silver Low-E glass has even higher visible light transmittance. Double-silver glass can be used on nearly any occasion. It has the following several characteristics: lower shading coefficient than sun-shading Low-E glass, low radiance, heat preservation, generally lower reflectivity, and high permeability. Compared to regular single glazing glass, energy-saving glass (Low-E double glazing glass) can better preserve heat, keep warmth and insulate sound, saving 67-70% of energy, as opposed to approximately 40% for regular double glazed glass.

Principle of triple-silver Low-E glass



ENVIRONMENT

Followings are the environment targets that we completed in 2022:

Targets	Degree of completion
<ul style="list-style-type: none"> Greenhouse gas emissions density of float glass, automobile glass, architectural glass decreases slightly 	Greenhouse gas emissions density of float glass, automobile glass, architectural glass decreased
<ul style="list-style-type: none"> Hazardous wastes emissions density of float glass, automobile glass, architectural glass is similar 	Hazardous wastes emissions density of float glass and architectural glass decreased
<ul style="list-style-type: none"> Non-hazardous wastes emissions density of float glass, automobile glass, architectural glass is similar 	Non-hazardous wastes emissions density of float glass decreased
<ul style="list-style-type: none"> Energy consumption density of float glass, automobile glass, architectural glass decreases slightly 	Energy consumption density of float glass, automobile glass, architectural glass decreased
<ul style="list-style-type: none"> Water consumption density of float glass, automobile glass, architectural glass decreases slightly 	Water consumption density of float glass, automobile glass, architectural glass decreased

OUR TARGET, IN 2023

Targets

COMMENCING ENERGY SAVING AND CONSUMPTION REDUCTION, AND

A slight decrease of **1.0%** in greenhouse gas emissions density of float glass, automobile glass, architectural glass

A slight decrease of **1.0%** in hazardous wastes emissions density of float glass, automobile glass, architectural glass

A slight decrease of **1.0%** in non-hazardous wastes emissions density of float glass, automobile glass, architectural glass

A slight decrease of **1.0%** in energy consumption density of float glass, automobile glass, architectural glass

A slight decrease of **1.0%** in water consumption density of float glass, automobile glass, architectural glass



CONSOLIDATING THE CARBON MANAGEMENT

Xinyi Glass regards energy-saving and consumption reduction, double carbon management and improvement in energy cost as the “main examination” deciding the survival of enterprise, and we never stop our pursuit on energy-saving and consumption reduction. As a global leading and integrated glass manufacturer, Xinyi Glass upholds the belief “Leading a Green New Life” in development. It takes the lead in promoting a green and healthy corporate culture under the concept of high-quality energy-saving products and green development. From the selection of raw materials to the automation of processing technology, the Company increases the product research and development and innovation. Through continuous integration and optimization of the “green” industrial chain, it gives and actively promotes to customers such energy-saving and environmental-friendly product experience and green initiatives. These green ideas are actively fostered within the Company. Xinyi Glass continues to increase the investment in technological reform, energy-saving and reducing consumption as well as the environmental protection facilities. This is to create and shape Xinyi Glass itself into an environmental-friendly, innovative world-class brand.

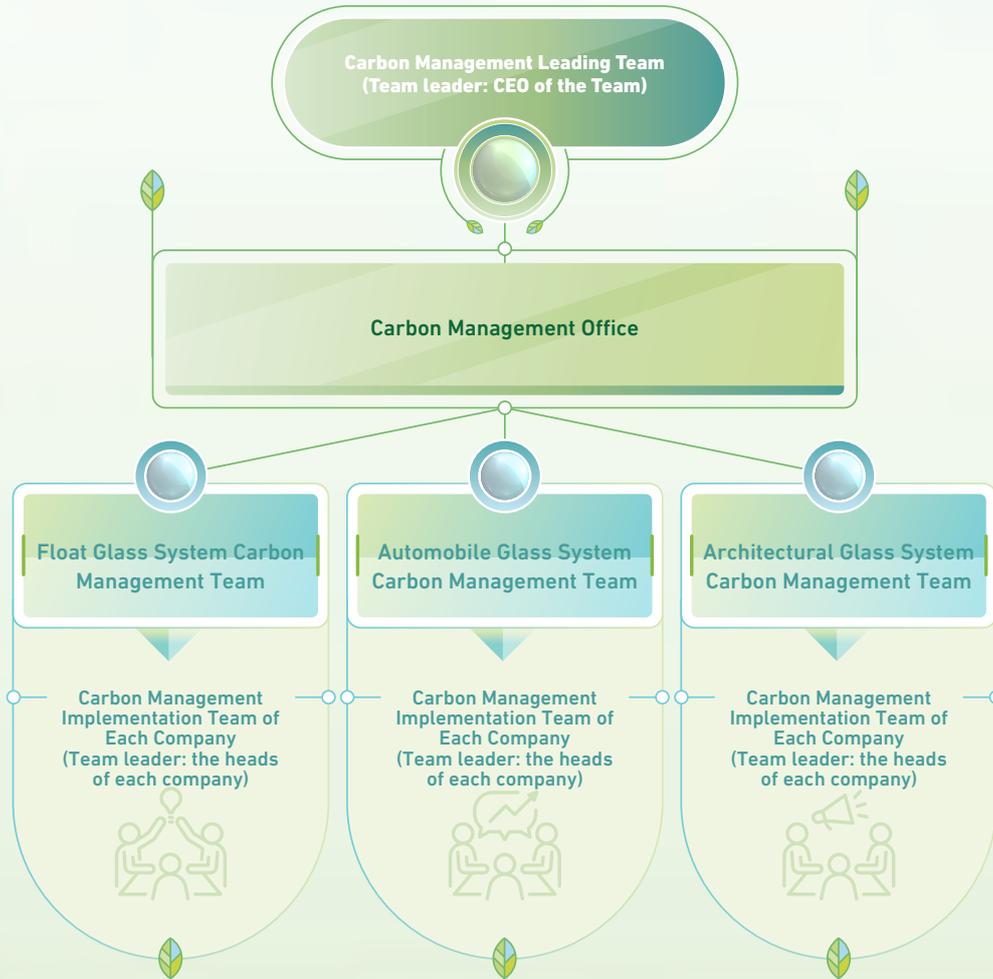
SETTING UP OF CARBON MANAGEMENT LEADING TEAM

In respond to the country’s aim to hit “peak carbon” by 2030 and to achieve “carbon neutrality” by 2060 and realize the company’s vision of “leading green new life”, in 2021, Xinyi Glass formally set up the leading team of Xinyi Glass carbon management, appointed the Group’s Chief Executive Officer as the team leader and set up the Xinyi Glass Carbon Management Office that is mainly divided into carbon policy management, carbon project management and carbon data management. The team leader is mainly responsible for all work of the Group’s carbon emissions management office.

The carbon management implementation team of each company, led by the head of each company in China, implements the work plans made by the carbon management office for the group and the system focusing on greenhouse gases, carbon emissions, energy-saving and emission reduction, formulates the company’s goals, collects the relevant laws and regulations and policies on carbon management in the places where the company operates. At the same time, it compiles the Company’s annual energy conservation and emission reduction plan and energy conservation project implementation plan, identifies carbon emission factors and total amount, regularly evaluates the economic operation standards of equipment in various departments, proposes improvement measures for energy conservation and consumption reduction, and implements the work plan for carbon management to ensure the achievement of the target.

After receiving data from each carbon management implementation group, the carbon management office needs to prepare, review the annual carbon management goals, project implementation plans, assessment plans, etc., and check, supervise, and guide the implementation of the carbon management work plan. It should be responsible for supervising the goals of the carbon emission management and the review and target assessment of the carbon emissions projects of companies of the Group, and provide relevant training courses for employees to achieve “top-down connection”, make people in each position have awareness of environmental protection and emission reduction and enable the Group to be at the forefront of the glass industry in terms of environmental protection.

XINYI GLASS CARBON MANAGEMENT LEADING TEAM STRUCTURE CHART



The Group has formulated a series of strict internal procedures such as Air Pollution Control Procedures (《大氣污染控制程式》), Environmental Monitoring and Measurement Management Procedures (《環境監測和測量管理程式》) and Environmental Objectives, Indicators and Program Management Procedures (《環境目標、指標和方案管理程式》) according to national regulations to better guide employees to implement relevant standards.

In order to improve each emission reduction target more effectively and to make employees pay more attention to environmental issues, the management of each department will set environmental targets at the beginning of each year with reference to environmental objectives, quantifiability, regulatory requirements and feasibility, and implement them to the relevant functional departments. The management plan includes the responsibilities and division of labour of each department and hierarchy, as well as the methods and timetables for achieving the goals, and shall be approved by the carbon management office. Each department shall promote the environmental objectives to employees at all levels through publicity, document issuance and internal meetings.

Apart from that, in terms of relevant emission data, the Group engages qualified environment monitoring centers or monitoring company with national approval to conduct annual inspection on sewage, noise and exhaust gas, and maintain such inspection report. All departments regularly inspect the operation of energy consuming equipment and facilities related to their own department according to the relevant guidelines. All departments responsible collect statistics on the monthly consumption of resources and energy (such as water, electricity, fuel, wood, paper, etc.), while the financial department analyzes the progress of the environmental targets and indicators every month. Quality control department reviews the Company's compliance with the environmental laws and regulations and other requirements every year before evaluating environmental management. In terms of the operation of its environment management system, the Company conducts internal review on the environment management system at least once a year, while also conduct environment management review once a year.

AIR EMISSION

In the process of float glass production, the main air emissions include sulphur dioxide (SO₂), nitrogen oxides (NO_x) and particulates. All the sulphur dioxide, nitrogen oxides and particulates emitted by Xinyi Glass comply with the Emission Standard of Air Pollutants for Flat Glass Industry as promulgated by China, under which the emissions of sulphur dioxide, nitrogen oxides and particulates shall not exceed 400mg/m³, 700mg/m³ and 50mg/m³, respectively. They also comply with local emission standards such as the Emission Standard of Air Pollutants for Flat Glass Industry of Guangdong Province, the Emission Standard of Air Pollutants for Industrial Furnaces of Tianjin, Malaysia Environmental Quality (Clean Air) Regulations 2014 and emission standards as required for emission permits in various places:

		Sulphur dioxide mg/m ³	Nitrogen oxides mg/m ³	Particulates mg/m ³
Applicable throughout China	Emission Standard of Air Pollutants for Flat Glass Industry (GB26453-2011)	400	700	50
Dongguan, Jiangmen	Emission Standard of Air Pollutants for Glass Industry DB44/2159-2019	280	550	30
Tianjin	Emission Standard of Air Pollutants for Flat Glass DB2021	50	200	10
Zhangjiagang	Notice on Extensive Nitrogen Oxides Emission Reduction for Non-Power Generation Enterprise Across the Province (Jiangsu Environment Bureau [2017] No.128)	N/A	350	N/A
Yingkou	Yingkou Environmental Bureau Pollutant Discharge Permit (Notice No. 2 and 4 of Department of Environment of Liaoning Province)	100	400	20
Malaysia	Environmental Quality (Clean Air) Regulations 2014	800	800	50

ENVIRONMENT

Natural gas, a safe, environmental-friendly and clean energy, is adopted as the fuel for the float glass production line, to which the integrated technology of semi-dry desulphurisation (NID technology), selective catalytic reduction (SCR) denitrification and dust particle removal by electrostatic is fully applied, and clean production is fully promoted. We managed to achieve clean production and reduced energy consumption and emissions while ensuring that the production system is operating in a safe and stable way. Meanwhile, in accordance with the Measures for the Administration of Automatic Monitoring of Pollution Sources promulgated by the State, an online system for real time environmental monitoring is established to ensure that the emissions meet the national emission standards. With the implementation of various industrial pollution remedial measures, all of Xinyi Glass's pollutant indicators are currently lower than the exhaust gas emission standards required by the State.

Certain relevant regulations are as follows:



The People's Republic of China

Guangdong Province's 2021 Water, Air and Soil Pollution Prevention and Control Work Plan

The Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution

Notice on Plans for Meeting the Environment and Air Quality Standard within Time Limit (2018-2020) of Jiangmen

Guangdong Province Air Pollutant Emission Limits DB4427-2001



Actual emission of industrial parks in each location:

	Float glass
2022	
Sulphur dioxide (SO ₂)	2,019 tonnes
Nitrogen oxides (NO _x)	4,105 tonnes
Particulates	159 tonnes
Total	6,283 tonnes
2021	
Sulphur dioxide (SO ₂)	1,812 tonnes
Nitrogen oxides (NO _x)	4,252 tonnes
Particulates	201 tonnes
Total	6,265 tonnes

The industrial park at Chengmai, Hainan was added to our lineup in 2021, its production line began production successfully in 2022, resulting a slight increase in the total amount of waste gas, while the overall emission intensity is lower than that of from last year. The desulfurization and denitrification measures in some industrial parks have their capacity expanded and renovated, enhancing the efficiency of desulfurization and dust removal, the average emission of particulates, sulfur dioxide and nitrogen oxides have been decreased significantly.

CONTINUOUS MEASURES ON REDUCING EMISSION

Desulphurization: ***Semi-dry Desulphurization Technology (NID Technology)***

- Flue gas from the residual heat furnace draft fan reacts with the absorbent within the circulating ash used for humidification after mixing. The SO₂ in the flue gas reacts with the absorbent to form calcium sulfite and calcium sulfate. After reaction, the flue gas carries a large amount of dry solid particles into the post-desulfurization bag filter for collection and purification. After being collected by the post-desulfurization bag filter, the ash is separated from fuel gas by the filter and transported to a mixer via conveyance equipment. At the same time, slaked lime is added to the mixer, and the content is released back to circulation after humidification and mixing. Purified flue gas is directly released to the chimney through a draft fan. The control system ensures the reaction temperature within the reactor and the constant temperature for released flue gas by adjusting the mixer. The circulating desulfurization ash within the filter is collected from ash bucket. When the amount of ash exceeds the maximum capacity of the ash bucket, it will be released through overflow.

Denitrification: ***Selective Catalytic Reduction (SCR) Denitrification***

The process of removing nitrogen oxides in flue gas generated from combustion. A SCR denitrification system composes of four parts. Flue gas at exiting temperature enters the residual heat furnace. After cooling down, the gas enters a high-temperature electrostatic precipitator. Through mixing and reaction, flue gas is then transferred into a SCR reactor for reaction and filtering. The denitrified pure flue gas is then released back into residual heat furnace for heat collection.

Particulates reduction: ***Dust Particle Removal by Electrostatic***

- Dust particle removal by electrostatic involves creating an uneven electric field between an electric corona electrode and a precipitation electrode, where the discharge electrode (electric corona electrode) is the anode while the precipitation electrode is the cathode. By generating positive and negative ions through enhancing the electric field, dust will build up on the collection plate.

GREENHOUSE GASES

During the production of float glass, automobile glass and architectural glass, greenhouse gases such as carbon dioxide and methane are directly or indirectly emitted. Xinyi Glass emits greenhouse gases in compliance with the Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution, Measures for the Administration of Automatic Monitoring of Pollution Sources as promulgated by the state, as well as the local emission standards such as Guidance for Verification of Organizational Greenhouse Gas Emissions (Shenzhen), Notice for Adjusting the Zone Prohibiting the Use of Fuels causing High Pollutants (Jiangmen), Environmental Quality (Clean Air) Regulations 2014 (Malaysia) and emission standards as required for emission permits in various places. Greenhouse gas emissions are based on the total greenhouse gas emissions of all national corporate entities, including the indirect greenhouse gas emissions produced by the energy used for the coating glass production.

Certain relevant regulations are as follows:

 The People’s Republic of China	
Greenhouse Gas Emissions Accounting Methods and Reporting Guidelines for Chinese Flat Glass Manufacturers (Trial)	Carbon Emission Rights Registration Management Rules (Trial), Carbon Emissions Trading Management Rules (Trial), Carbon Emissions Settlement Management Rules (Trial)
Measures for the Administration of Automatic Monitoring of Pollution Sources	Integrated Emission Standard of Air Pollutants
The Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution	Deyang City Air Pollution Prevention and Control Regulations
Hainan Air Pollution Prevention and Control Regulations	Guangdong Province Air Pollution Prevention and Control Regulations
Guangdong Province Air Pollutant Emission Limits DB4427-2001	The Working Plan for the Renovation and Emission Reduction of volatile organic compounds (VOCS) of Guangdong Province (2018-2020)
Regulations of Anhui Province on the Prevention and Control of Air Pollution	
 Malaysia	
Environmental Quality (Clean Air) Regulations 2014	

ENVIRONMENT

Actual greenhouse gas emission of industrial parks in each location:

		Float glass	Automobile glass	Architectural glass	Total
2022					
DIRECT EMISSION	tonnes carbon dioxide equivalent	5,429,878	265	259	5,430,402
INDIRECT EMISSION	tonnes carbon dioxide equivalent	196,820	215,089	115,691	527,600
TOTAL	tonnes carbon dioxide equivalent	5,626,698	215,354	115,950	5,958,002
Emission density	rounded to four decimal places	0.6416 tonnes carbon dioxide equivalent/tonne	0.0036 tonnes carbon dioxide equivalent/m ²	0.2325 tonnes carbon dioxide equivalent/tonne	
2021					
DIRECT EMISSION	tonnes carbon dioxide equivalent	5,371,886	263	0	5,372,149
INDIRECT EMISSION	tonnes carbon dioxide equivalent	260,270	270,953	127,315	658,538
TOTAL	tonnes carbon dioxide equivalent	5,632,157	271,216	127,315	6,030,688
Emission density	rounded to four decimal places	0.6562 tonnes carbon dioxide equivalent/tonne	0.0044 tonnes carbon dioxide equivalent/m ²	0.2784 tonnes carbon dioxide equivalent/tonne	

Total amount of greenhouse gas emission (tonnes carbon dioxide equivalent) and the emission density of each system have been decreased as compared to 2021, the total amount has been decreased by approximately 1.21%. The Carbon Management Office established in the fourth quarter of 2021 implemented a number of energy-saving and emission reduction projects during the year, resulting a significant decrease in the greenhouse gas emission intensity of each system.

The greenhouse gas data of 2021 announced by the Company have been verified and confirmed by Hong Kong Quality Assurance Agency on 5 July 2022.

Ongoing Measures for Reducing Greenhouse Gas Emissions

Group management to reduce all kinds of electricity consumption



Xinyi Glass set up a number of groups including Coating Electricity Consumption Group, Laminated Electricity Consumption Group, Tempered Glass Electricity Consumption Group and other electricity consumption groups, designated personnel are responsible to refine the issue of electricity consumption in every aspect, exploring measures on electricity conservation, and thus reducing the electricity consumed in the whole system.

The commencement of innovative energy-saving project



Most of the industrial park of the Group has implemented innovative energy-saving project, for example, a gas station in one of the industrial parks has implemented the management project for the partial pressure of compressed air, one of its 630kW centrifuge could be switched off, saving 12,000 kWh of electricity every day and 360,000 kWh of electricity every month, thus there is a significant decrease in electricity consumption in 2022 than in 2021.

The promotion of energy-saving water pump



By promoting the use of energy-saving water pump, and strengthening the management of cooling equipment like on-site water packs, thus the pressure and temperature of water supply are optimized to a reasonable and safe level for reducing the electricity consumed.

HAZARDOUS WASTES AND NON-HAZARDOUS WASTES

Hazardous and non-hazardous wastes are inevitably produced during the production process. All wastes of the Group are treated in accordance with the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, the Administrative Measures for the Licensing of Hazardous Wastes, the Standard for Pollution Control on the Storage and Disposal Site for General Industrial Solid Wastes and relevant local regulations. The Group advocates "Reduce, Reuse, Recycle and Replace" for all materials, and has internally formulated the Chemical Management Procedures, the Guidelines for Waste Separation Operation and the Waste Management Procedures as the standards for employees to handle hazardous and non-hazardous wastes on a daily basis.

Certain relevant regulations are as follows:



The People's Republic of China



The Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes	The Administrative Measures for the Licensing of Hazardous Wastes
Measures for the Prevention and Control of Environment Pollution by Discarded Dangerous Chemicals	The Standard for Pollution Control on the Storage and Disposal Site for General Industrial Solid Wastes
Standard for Pollution Control on Hazardous Waste Storage	Technical Specifications of Collection, Storage, Transport for Hazardous Waste
The Policy on Hazardous Waste Pollution Prevention and Control Technologies	Ordinances on the Management of Domestic Waste of Hainan Province
Ordinances on the Prevention and Control of Environmental Pollution by Solid Waste of Guangdong Province	Directory of National Hazardous Wastes (2022 Edition)
Ordinances on the Treatment of Urban and Rural Domestic Waste of Guangdong Province	The Administrative Measures for the Licensing of Pollutant Discharge of Shenzhen Economic Special Zone
Measures of the Shenzhen Municipality on Management of Kitchen Wastes	Measures for the Management of Urban Domestic Waste
Law of the People's Republic of China on Promoting Clean Production	Implementation Plans on Cross Province and Municipalities Transfer of Solid Waste
List of Key Environmental Supervision Organizations for Hazardous Waste of Jiangmen City (2021 Edition)	



Malaysia

Environmental Quality (Clean Air) Regulations 2014

Actual emission of hazardous wastes of industrial parks in each location:

		Float glass	Automobile glass	Architectural glass	Living areas and office buildings	Total
2022						
EMISSION	TONNES	288.9	221.6	110.9	1.2	622.6
EMISSION DENSITY	rounded to four decimal places	0.0329 kg/tonne	0.0037 kg/m ²	0.2224 kg/tonne		
2021						
EMISSION	TONNES	432.9	59.2	134.1	0.4	626.6
EMISSION DENSITY	rounded to four decimal places	0.0504 kg/tonne	0.0010 kg/m ²	0.2932 kg/tonne		

In 2022, the total amount of hazardous waste recorded a slight decrease of 0.6% as compared to last year. The emission density of all other system has been decreased except for that of automobile glass system. Hazardous wastes produced are mainly waste insulation cotton, waste photosensitive glue and waste empty barrels. Rigorous disposal method has been in place by the Group for hazardous waste, all hazardous waste will be packed and processed separately, they are temporarily stored in a specific area and warning signs are displayed. The Group will engage processors with qualification on hazardous waste processing and who have been filed with environmental protection bureau to processed such hazardous waste in accordance with the relevant requirements under the national hazardous waste management.

Ongoing Measures for Reducing Hazardous Waste



Fluorescent lamps are gradually replaced by energy-saving LED lamps

Fluorescent lamps have been phased out since 2021 and replaced by energy-saving LED lamps. Except for special requirements, products such as fluorescent lamps are not purchased in principle. One of its industrial parks produced 0.065 tonne of waste fluorescent lamp, while only 0.024 tonne of waste fluorescent lamp have been produced in 2022, a decrease of 0.041 tonne as compared to last year.



Improving design, adopting advanced technology and equipment, using clean energy and raw materials, improving management, comprehensive utilization of hazardous waste, improving pollution prevention and control, etc.

Waste mineral oil: For those waste engine oil with better quality, it is being recycled as raw materials, and being used as the lubricant for the chain of sand raking machine.

Lead battery: When the lead battery of forklift has been totally consumed, we will contact the manufacturer for replacement, thus minimizing the quantity of waste lead battery in the industrial park.

METHODS FOR PROCESSING HAZARDOUS WASTE



ENVIRONMENT

Actual emission of non-hazardous wastes of industrial parks in each location:

		Float glass	Automobile glass	Architectural glass	Living areas and office buildings	Total
2022						
EMISSION	TONNES	451,954.9	69,876.2	51,695.3	21,487.1	595,013.5
EMISSION DENSITY	rounded to four decimal places	51.5023 kg/tonne	1.1575 kg/m ²	103.6276 kg/tonne		
2021						
EMISSION	TONNES	464,475.2	59,496.0	44,785.4	18,182.2	586,938.8
EMISSION DENSITY	rounded to four decimal places	54.1126 kg/tonne	0.9660 kg/m ²	97.9202 kg/tonne		

Among non-hazardous wastes, over 70% and approximately 16% are shattered glass and industrial sludge, respectively. Others include domestic waste, metal and paper. In 2022, the amount of non-hazardous waste increased by approximately 8,074.7 tonnes as compared to the previous year. It is mainly due to the shattered glass produced by the increase in production, and all shattered glass would be back to furnaces as raw materials; packaging and plastic waste would be sold to renewable resource recycling companies, and domestic waste would be collectively handled by the environmental hygiene department. Most of the non-hazardous waste generated will be sorted and recycled to reduce waste. No matter how small the action is, the Group adheres to the principle of "sorting waste and recycling resources", spreading the idea of environmental protection to every corner of the industrial parks.

Ongoing Measures for Reducing Non-hazardous Waste

 <p>Classified treatment of industrial non-toxic solid waste</p>	<p>We strictly collect recyclable and non-recyclable solid waste separately. The amount of recyclable waste is increased when reducing the amount of solid waste entrusted treatment, which further increases the efficiency.</p>
 <p>Encourage a paperless regime</p>	<p>From 2020, annual reports are only be available as electronic version. We also require all employees to use double-sided office paper and recycle all completely used papers for selling from time to time.</p>
 <p>Reuse of scrap metal</p>	<p>Aged pipes or stainless steel pipes with better quality are being recycled for producing guard-rails.</p>

Behind these impressive figures, through continuous integration and optimisation of the “green” industrial chain, staff at Xinyi give and actively promote to customers such energy-saving and environmental-friendly product experience and green initiatives. Besides, we actively promote “Low-Carbon Production” and “Energy-Saving and Reducing Consumption” within the Company. All employees are encouraged to participate in the practices of “Green Production” and stay firmly committed to green and environmental-friendly path.

METHODS FOR PROCESSING NON-HAZARDOUS WASTE



ENERGY-SAVING AND EMISSION REDUCTION BY MAXIMISING RESOURCES

In addition to strict compliance with the Law of the People's Republic of China on Prevention and Control of Water Pollution, the Law of the People's Republic of China on Energy Conservation and other relevant regulations in various regions such as the Measures for the Implementation of the Management of Water Conservation in Cities in Liaoning Province and the Regulations on the Management of Water Resources in Guangdong Province, Xinyi Glass has also formulated guidelines such as the Management Procedures for Energy Conservation and Consumption Reduction within the Group. At the same time, by continuous upgrading and renovating technologies and equipment, saving energy and reducing consumption and investing in environmental protection facilities, the Group is able to maximise the effective use of resources and minimise the consumption of various resources in an appropriate manner.

Total energy consumption of each industrial park:

		Float glass	Automobile glass	Architectural glass	Living areas and office buildings	Total
2022						
Natural gas	GWH	16,391.7	0	0	0	16,391.7
Fuel oil	GWH	18.3	1.0	0.8	0.1	20.2
Electricity – direct energy consumption	GWH	753.7	25.8	3.7	4.8	788.0
Electricity – purchased electricity	GWH	449.2	298.2	140.8	18.8	907.0
Total	GWH	17,612.9	325.0	145.3	23.7	18,106.9
Consumption density	rounded to four decimal places	2.0071 MWh/tonne	0.0054 MWh/m ²	0.2913 MWh/tonne		
2021						
Natural gas	GWH	17,261.7	0.0	0.0	0.3	17,262.0
Fuel oil	GWH	17.5	1.0	0.3	0.1	18.9
Electricity – direct energy consumption	GWH	744.0	26.1	1.5	1.8	773.4
Electricity – purchased electricity	GWH	446.8	351.7	204.3	22.5	1,025.3
Total	GWH	18,470.0	378.8	206.1	24.7	19,079.6
Consumption density	rounded to four decimal places	2.1518 MWh/tonne	0.0061 MWh/m ²	0.4507 MWh/tonne		

ENVIRONMENT

Energy used in production mainly includes natural gas, electricity and fuel oil, which are all types of energy used by the Group. Fuel oil includes diesel and gasoline, mainly used for forklifts. In 2022, the direct electricity consumption was 788.0 GWh (i.e., electricity generated from rooftop solar panels and low temperature residual heat in industrial parks) and the purchased electricity was approximately 972.7 GWh. The total energy consumption in 2022 decreased to 18,106.9 GWh as compared to the previous year, representing a decrease of approximately 5.1%, the consumption density of all systems are lower than last year.

The total consumption of energy data of 2021 announced by the Company have been verified and confirmed by Hong Kong Quality Assurance Agency on 5 July 2022.

1. DISTRIBUTED SOLAR POWER GENERATION

Xinyi Glass has launched the solar power generation project since 2013. Distributed solar power generation projects are implemented in all industrial parks, including the new industrial park in Chengmai, Hainan province in 2021, to convert solar energy into electricity. Most of the electricity is used on production lines achieving that generating electricity by and for industrial parks. The Group adds distributed solar power at the suitable locations in the existing industrial park to increase the amount of renewable energy available in the future. By directly connecting the solar power generation system with the Company's internal grid, the grid-connected operation does not only significantly reduce the project cost, but also increases power generation efficiency and enhances the performance on environmental protection.

2. LOW TEMPERATURE RESIDUAL HEAT GENERATION

To reduce energy consumption and production costs, Xinyi Glass has built low temperature residual heat generation stations at its production bases in Dongguan, Tianjin, Jiangmen, Wuhu, Yingkou, Deyang, Malaysia, Beihai, Zhangjiagang and Chengmai where float glass production lines have been established. This can help to better exercise scientific and reasonable control over the emission of sulphur dioxide, carbon dioxide, nitrogen oxides, dust and high temperature gas generated by the glass melting furnace. Therefore, atmospheric and environmental pollution is significantly reduced, and the problem of high energy consumption and high pollution of the glass industry can be effectively alleviated. Advanced settings are adopted in the thermodynamic system and the installed programme of Xinyi Glass residual heat generation stations, which enable the power stations to operate flexibly and reliably and to work well with the glass production lines seamlessly.

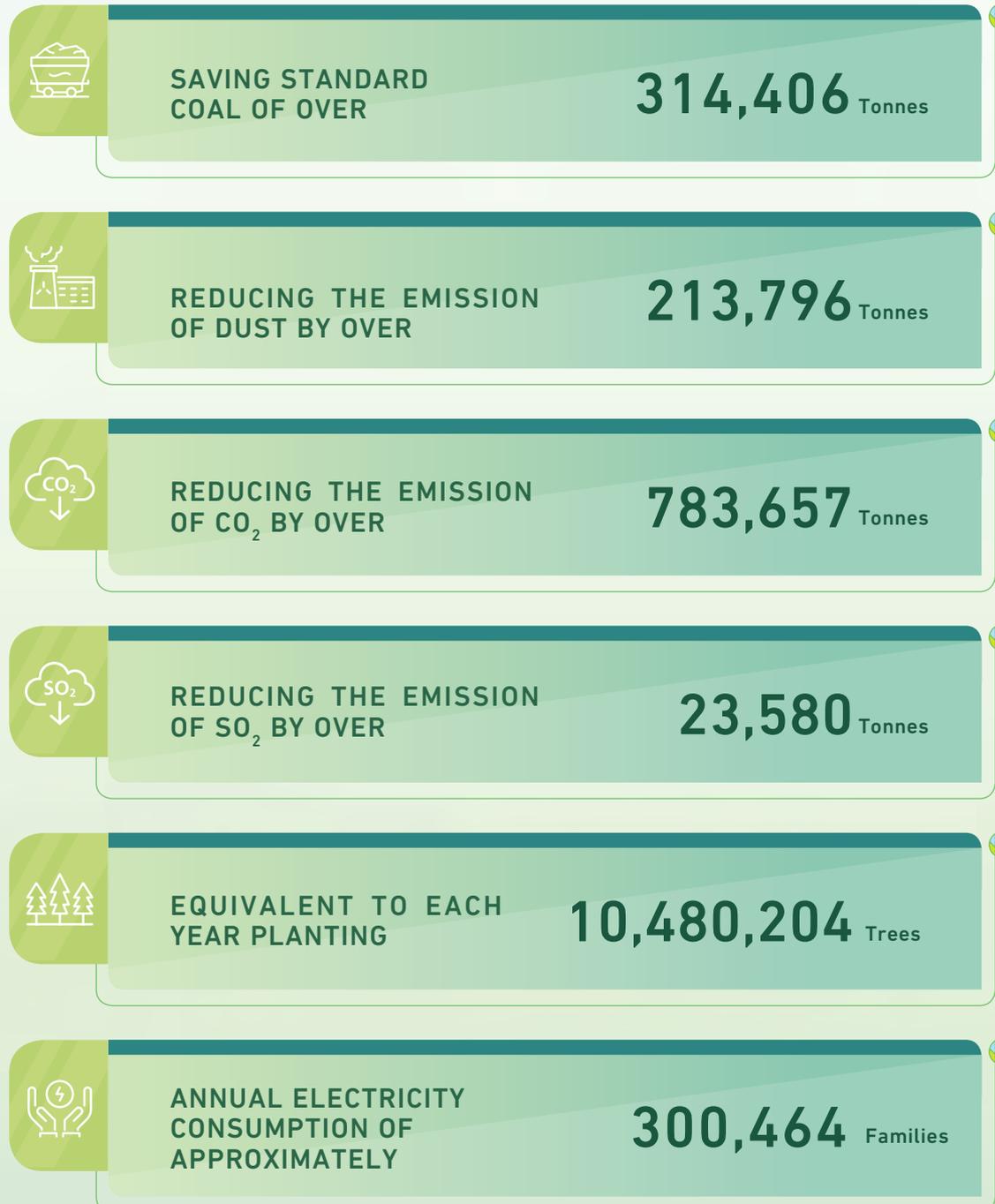
3. SELECT EFFICIENT EQUIPMENT

The Group strives to purchase energy-efficient equipment and prohibits the purchase of equipment weeded out by the State. Employees must use the equipment in accordance with the requirements of the standard operating procedure, and arrange production reasonably to improve the utilisation of equipment and facilities and reduce equipment idle time. At the same time, the production department should improve the utilisation rate of materials, improve yield rate and reduce rework, repair and scrap rate, to conserve resources and energy, and reduce the waste of materials.

4. DESIGNATING PERSONNEL FOR IMPROVING MEASURES ON ELECTRICITY CONSUMPTION

Designated personnel will study and propose measures on reducing the electricity consumption, for example, ways for improvement will be proposed on the electricity consumption on coating, lamination and tempering, etc., and their overall effectiveness will be monitored. Designated personnel will report the electricity consumption on equipment, craftsmanship and product processing daily and weekly, in order to improve the electricity conservation measures continuously.

The benefits of providing electricity by integrating the above solutions:



ENVIRONMENT

Total water consumption of industrial parks in each location:

		Float glass	Automobile glass	Architectural glass	Living areas and office buildings	Total
2022						
CONSUMPTION	THOUSAND TONNE	11,414.1	413.8	358.6	995.2	13,181.7
CONSUMPTION DENSITY	rounded to four decimal places	1.301 tonne/tonne	0.0069 tonne/m ²	0.7189 tonne/tonne		
2021						
CONSUMPTION	THOUSAND TONNE	12,822.8	931.9	668.2	1,395.2	15,818.1
CONSUMPTION DENSITY	rounded to four decimal places	1.4939 tonne/tonne	0.0151 tonne/m ²	1.4609 tonne/tonne		

The amount of water consumed has been decreased by 2,636.4 tonnes in 2022. Some industrial parks engaged companies to provide assistance in assessment, in order to improve the water consumption technology, updating the equipment that consume water, and to enhance the repeated use ratio of water. With the help of a number of improvements, the annualized total water consumption and the utilization intensity of each system both recorded significant decrease.

5. CIRCULATING WATER SYSTEM

Xinyi Glass actively promotes several measures in water saving and discharge reduction for water circulation. Recirculating cooling water systems have been built in all industrial parks. Through water circulation pump, cool water is circulated to thermal engineering equipment for cooling where heat is added to the cooling water. The warmed water is then circulated to the cooling tower, where the cycle is repeated. In 2022, the consumed water recycled through the recirculating cooling water system amounted to 361,884.0 thousand tonnes in total.

6. USE AND TREATMENT OF SEWAGE

The Group has also constructed sewage treatment system with a view to treating the sewage that is non-reusable or unsuitable for reuse. Sewage will be recycled and reused after treatment, and the water station can achieve zero sewage discharge. It is estimated that approximately 2,261.0 thousand tonnes of water were treated in 2022.



7. PROMOTION AND EDUCATION

Promotional slogans shall be posted in prominent places such as promotion columns of the industrial parks in each location, including workshops, office buildings and living areas, to remind everyone of water saving. Production workshops will remind the staff in the meeting before their shifts start and adhoc patrol and investigation will be conducted to ensure that no water is wasted. Internal management of daily water consumption of production equipment – a water saving enterprise system is established and implemented according to the system. The Group will strengthen the daily maintenance and management of water equipment, repair damaged water supply network and facilities in a timely manner, and regularly repair or replace faucets, pipeline valves, flushing valves and other drainage and water supply devices to prevent the waste of “running, emitting, dripping and leaking” and eliminate the phenomenon of “long running water”. At the same time, the requirements for water conservation are implemented in all aspects of production equipment, work and life, to improve the efficiency of water resource utilisation, establish a long-term water conservation management mechanism, achieve sustainable utilisation of water resources, and strive to reduce the water consumption per capita of the enterprise as compared with previous years.

8. ENERGY AND WATER CONSERVATION TEAM

Energy and water conservation groups have been set up for certain systems to renovate the existing water routes by adding water meters to follow up the water consumption of each machine every day. The groups calculate the standard water consumption according to the volume of each machine’s water tank, so as to calculate the discrepancy and solve the identified problems. Among which, some industrial parks rectified their water recycling system, and require that except for water evaporated in normal course and the loss of water during circulation, all water discharged in production have to be recycled and reused, thus reducing the water consumption at the greatest extent. In addition, water purification system is also been rectified, the ratio of water produced has been increased from around 50% to more than 60%.

ENVIRONMENT

Packing wooden cases used in industrial parks in each location:

		Float glass	Automobile glass	Architectural glass	Total
2022					
CONSUMPTION	THOUSAND TONNE	30.7	41.3	26.1	98.1
CONSUMPTION DENSITY	rounded to four decimal places	0.0035 tonne/tonne	0.0007 tonne/m ²	0.0524 tonne/tonne	
2021					
CONSUMPTION	THOUSAND TONNE	26.0	51.2	21.0	98.2
CONSUMPTION DENSITY	rounded to four decimal places	0.0030 tonne/tonne	0.0008 tonne/m ²	0.0460 tonne/tonne	

The Group considers using materials that can be recycled, giving priority to environmental friendly materials, using less materials, and minimising the impact of packaging materials on the environment during production and processing and after the packaging materials are disposed of. Some industrial parks have implemented film-free bare packaging to save packaging and labor costs since 2021. In addition, the main packing materials of float glass, automobile glass and architectural glass are wooden cases and metal frames, especially encouraging the use of reusable metal frames, and suitable wooden cases will also be reused. Therefore, the overall packing materials were similar to that in the previous year, and other packaging materials include rainproof film, duct tape, adhesive tape and kraft paper amounting to approximately 6,543.1 tonnes, which accounted for 6.3% of the overall packing materials.

Followings are the social targets that we completed in 2022:

Targets	Degree of completion
<ul style="list-style-type: none"> No general fire and explosion accident 	<ul style="list-style-type: none"> No general fire and explosion accident
<ul style="list-style-type: none"> No serious pollution and poisonous and hazardous gas leakage accident 	<ul style="list-style-type: none"> No serious pollution and poisonous and hazardous gas leakage accident
<ul style="list-style-type: none"> No serious factory vehicle accident 	<ul style="list-style-type: none"> No serious factory vehicle accident
<ul style="list-style-type: none"> 100% pass rate of work safety standardisation certification on float glass systems 	<ul style="list-style-type: none"> 50% pass rate of work safety standardisation certification on float glass systems

OUR TARGET, IN 2023

Targets

- No general fire and explosion accident
- No major or more serious production safety accident
- No serious factory vehicle accident
- 100% pass rate of work safety standardisation certification on all systems
- 100% completion of safety training by safety committee office as planned

FAIR CORPORATE SYSTEM

Xinyi Glass regards talents as its most valuable treasure. Xinyi Glass strives to provide continuous improving working conditions, competitive benefits and remuneration package and an effective training system to nurture talents. All employees are treated equally, and the hiring mechanism does not evaluate ability by diploma or compare contribution by qualification. Fair, just and reasonable opportunities are also given to everyone for individual growth, in order to build a platform where they could showcase their talents, so that we could attract, nourish, reward and retain talents with competency, high quality and international exposures, making them become Xinyi's "business managers".

All the industrial parks of Xinyi Glass in the PRC have complied with the relevant labour laws and regulations such as the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China, the Law of the People's Republic of China on Protection of Minors and the Law of the People's Republic of China on Protection of Women's Rights and Interests, and in Malaysia Industrial Park has complied with the Malaysian Labour Laws as the basis for handling the entering into and termination of labour contract, labour compensation, labour dispute settlement, social insurance premium payment, social insurance benefits, social insurance dispute settlement and so on (please refer to the following table for some of the relevant laws and regulations).

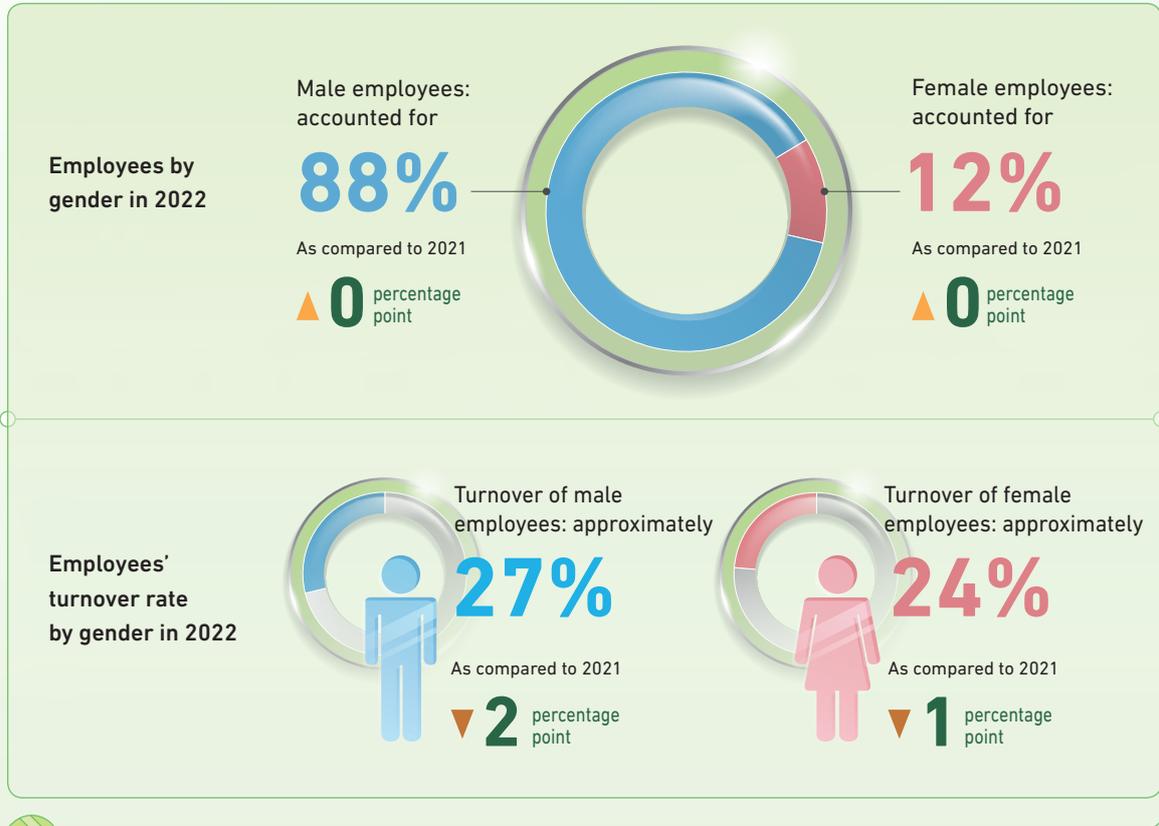
 Relevant Laws from The People's Republic of China	
Labour Law of the People's Republic of China	Law of the People's Republic of China on Protection of Minors
Labour Contract Law of the People's Republic of China	Law of the People's Republic of China on Protection of Women's Rights and Interests
Regulations on the Implementation of the Labour Contract Law of the People's Republic of China	Regulations on Paid Annual Leave for Employees
Social Insurance Law of the People's Republic of China	Provisions on National Holidays and Anniversaries
Regulations on Work-related Injuries	Provisions of the State Council on Working Hours of Employees
Regulations on Unemployment Insurance	
 Relevant Laws from Malaysia	
Malaysian Labour Laws – Termination of Labour Contracts	Malaysian Labour Laws – Working Hours
Malaysian Labour Laws – Salaries	

While developing the Recruitment Management Procedure, the Group strictly complies with the Labour Law of the People's Republic of China, the Provisions on the Prohibition of Using Child Labour, the Law of the People's Republic of China on Protection of Minors and the Malaysian Labour Laws and the local legal requirements in the places where its businesses are located. For example, the Recruitment Management Process and the Malaysian Personnel Management System – Recruitment stipulate the division of labour in the Company's recruitment management process. Recruitment channels mainly include campus recruitment, recruitment through intermediaries, internal staff recommendation, etc. Internal guidelines have been established for all kinds of recruitment to ensure that all people are given a fair opportunity to apply for the jobs, in which suitable candidates are hired. The Group prohibits the use of child labour or forced labour. At the time of recruitment, the Group's recruitment team will review the resumes, cover letters and ID cards. When reviewing the resume of a job seeker, the educational background, working experience, and overall background will be checked if they match the job requirements. When reviewing resumes, the recruitment team will observe the following points to ensure better screening of potential candidates, including reasons for changing jobs, term of service for former employers, etc. For new employees with tertiary education or above, the Group will check the authenticity of their qualifications through the inquiry platform and print out the results and file with their résumés for categorization. If there is any doubt, the recruitment team will check with the relevant government authorities. In case of any violation, the recruitment team has the right to suspend the next recruitment procedure and blacklist the related person to avoid him/her from entering the Company for job application next time. To ensure staff health and safety, forced labour is strictly prohibited and no staff can start working before the completion of the relevant training.

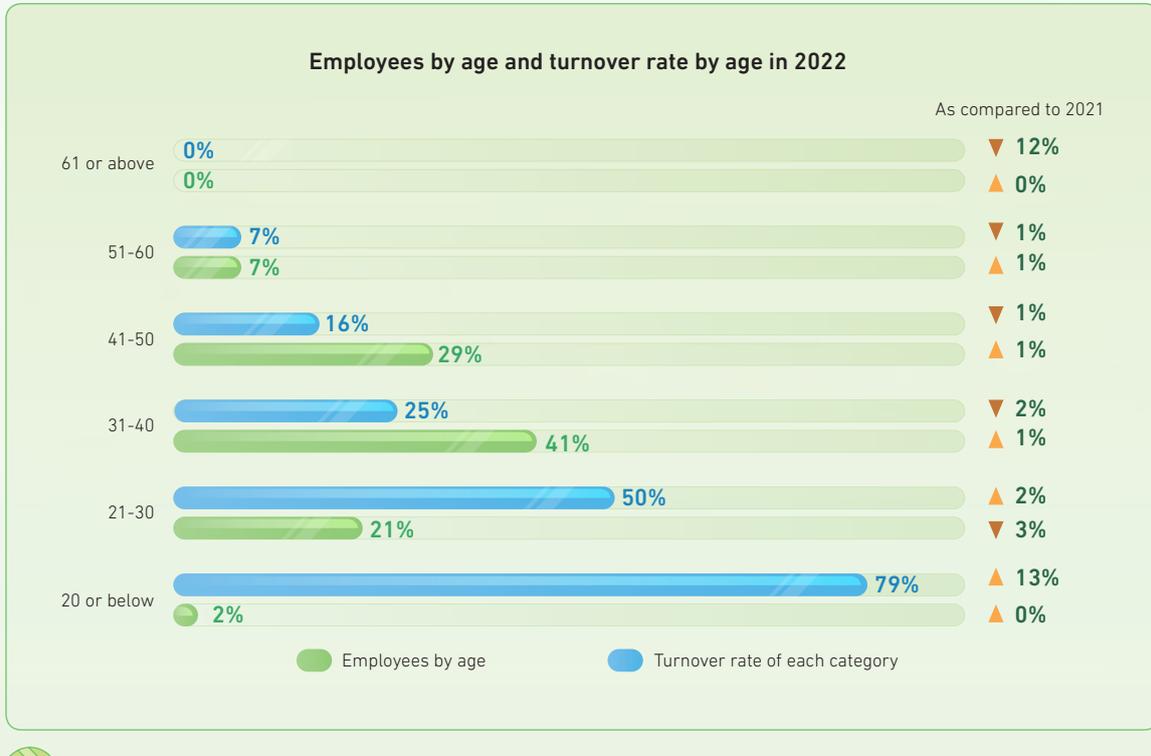
In terms of dismissal, the internal Employee Handbook clearly explains the various situations in which the Group will terminate the labour contract and other handling methods, while the Personnel Management System and Malaysian Personnel Management System – Dismissal states the procedures which should be carried out by the Group or the responsible executor, and the right of the affected employee upon the termination of labour contracts, so as to ensure that the Group treats each employee equally.

The Group did not employ any part-time employees in 2022, and all employees are full-time employees. As at 31 December 2022, the total number of employees was 15,068, the proportion between male and female is similar to that in 2021, which were 88% and 12%, respectively. Most of the employees belonged to the 31–40 age group, accounting for 41% of the total, and the distributions by geographical region were 40% and 60% for local and non-local employees, with a slight increase in the number of local employees. The full-year employee turnover rate was approximately 27%¹, representing a slight decrease of 1 percentage points as compared to that in 2021, details of which by age, gender, region and rank are set out in diagrams a, b and c below.

a. Diagram of employees and turnover rate by gender



b. Diagram of employees and turnover rate by age



c. Diagram of employees and turnover rate by geographical region



¹ Turnover rate by each category = number of employees resigned in such category/total number of employees in such category * 100

² In the case of the Shenzhen Industrial Park, employees from outside Shenzhen are counted as "non-local" employees

SOCIAL

Xinyi Glass has set up procedures such as the Remuneration Management and Adjustment Procedure of the Group, Remuneration Formulation and Accounting Procedure and Malaysian Personnel Management System – Remuneration, providing the employees with attractive remuneration and benefits. Staff's remuneration package, comprised of basic salary and reward and accountability, is adjusted for factors such as the Company's results, the value of the employee's position, personal competency and performance, and social development level, etc. At the same time, the Group provides them with meal allowances, housing benefits, subsidies for high temperature, transportation and communication allowances. Remuneration and benefits are calculated by the same means regardless of employees' gender, age group and ethnicity, so that all employees may enjoy similar average pay and company benefits.

In addition to formulating the Personnel Management System and the Promotion/Demotion Management Procedure as the internal guidelines for general talents management, the Group has established reward systems such as Management System for the Internal Title Accreditation of the Group, Patent Reward System and Incentive Scheme to encourage professional personnel to study their business and enhance their skills. The internal title accreditation is carried out once a year. Upon the submission of materials and review on the daily performance, the employees are broadly divided into three levels, junior, middle and senior, so that the employees with adequate experience and capability will be actively provided with the same level of benefits. Staff members who have been internally accredited with titles, managerial duties and titles, or the long-service employees or specially recruited staff members are entitled to the Company's share options.

Employees accredited with titles accounted for 8% of the overall workforce in 2022, representing a similar percentage as compared to the previous year, and all rates were similar to those in 2021. Male employees accredited with titles accounted for 8% of their respective genders, while female employees accredited with titles accounted for 10% of their respective genders, female employees who are senior management or accredited with titles accounted for approximately 14% of employees from senior management or accredited with titles, such proportion is higher than that of the general proportion of the Group. The proportion of non-local employees was 3% higher than that of local employees. This demonstrated that the results of awarding titles to employees internally within the Company are not affected by gender, geographical region or age, and that the Group takes a fair view of each employees' ability.

The Group has contributed to the social insurance and purchased work-related injury insurance for employees working in the domestic factories in accordance with the Social Insurance Law of the People's Republic of China and the Regulation on Work-Related Injury Insurances.

Xinyi Glass strictly complies with working hour limit and holiday requirements under the Labour Law of the People's Republic of China, the Employment Ordinance, the Regulation on Public Holidays for National Annual Festivals and Memorial Days, Provisions of the State Council on Employees' Working Hours, the Malaysian Labour Laws – Working Hours as well as the respective applicable employment laws and regulations in the overseas locations and the legal requirements of the places in which it operates. All industrial parks in China implement an eight-hour working system from Mondays to Fridays, while production departments implement a shift system. Employees enjoy statutory holidays and paid leaves, such as marriage leave, funeral leave, maternity leave, and paternity leave, etc.

To continuously improve the working and living environment of our staff and enhance their welfare and treatment, the Group conducts quarterly questionnaire surveys and scores on various aspects such as canteen, accommodation, security and environment, with a view to improving the relevant conditions and enhancing our employees' belonging of our staff to the Company. The relevant score will affect the performance of the responsible department and make the department pay more serious attention to the views of the questionnaire. The overall questionnaire scores for 2022 reach the goal and are satisfactory with all sections scoring 80 or above except for the canteen section, while the canteen obtained the target score of satisfactory level. In the meantime, during 2022, the "Xinyi Group Issue Inspection Group" has been set up, establishing a direct channel for all Xinyi staff and external units to provide their opinion and feedback, thus continuously enhancing the internal management and the responsibility of management personnel of the corporation, and to facilitate the efficient completion of each key projects, in order to build a better working environment.



WELL-ORGANISED LABOUR UNION

Xinyi Glass cares about its staff's life outside of the production work. According to the Labour Union Management System and Malaysian Personnel Management System – Diversify set up by the Group, each industrial park has established a labour union, which possesses a complete structure with members including a chairperson, a treasurer, a coordinator, etc. Various groups have been set up under the union to ensure its orderly operation. Through transparent and democratic management, the labour union organises various activities that benefit the employees' well-being. Meanwhile, they also strengthen the communication between the Company and the employees as well as negotiating for the benefits to raise the employees' sense of belonging. In the past 12 months, there have been no major disputes or negotiations between employers and employees, and the labour union has always been concerned about the needs of its employees.

In response to the increasingly fast pace of life, Xinyi Glass encourages its staff to achieve work-life balance. The labour union organises medical check-ups and travel tours for the eligible staff and holds various fun after-work events such as entertainment and recreational activities including birthday party, football and basketball match, Chinese New Year celebration, National Day celebration, etc. At the same time, the Group organises an open day for family activities to integrate employees into the Group's culture. There are different cultural and daily facilities in the industrial parks, such as library, basketball court, football field, badminton court, snooker room, table tennis room, cyber cafe, TV room, karaoke room, fitness room, medical room, kiosk, tuck shop, staff canteen, etc. Investments in various kinds of facilities are expanded to well perform their maintenance and management, enriching the life and enhancing the interaction of staff members outside the eight working hours.

In addition, "Xinyi Education Fund" was established by the Group in 2017. Managed in accordance with the Xinyi Education Fund Management Code, the fund provides our employees' children with education assistance. The results of the application will also be posted for one week. The fund paid more than RMB1.66 million and benefitted a total of 416 eligible children of our employees in the year of 2022, the number of beneficiary and fund paid are both higher than those of 2021.

ACTIVITIES ORGANISED BY LABOUR UNION IN 2022 (EXCERPT)









CULTIVATING AND UNITING TALENTS

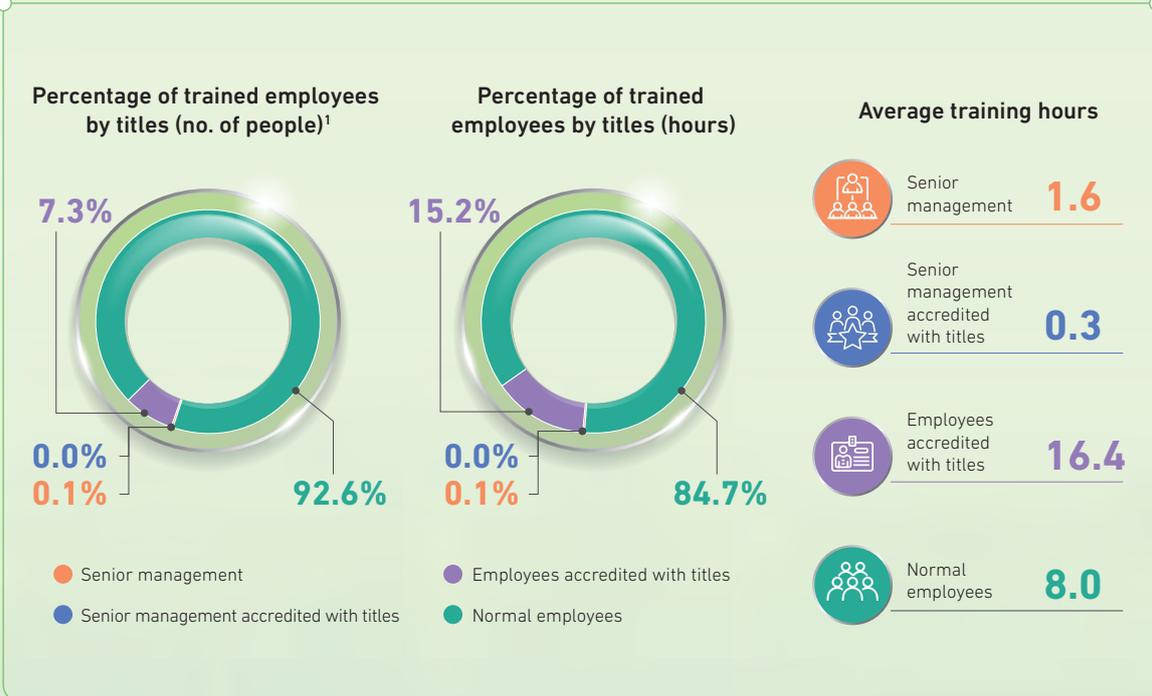
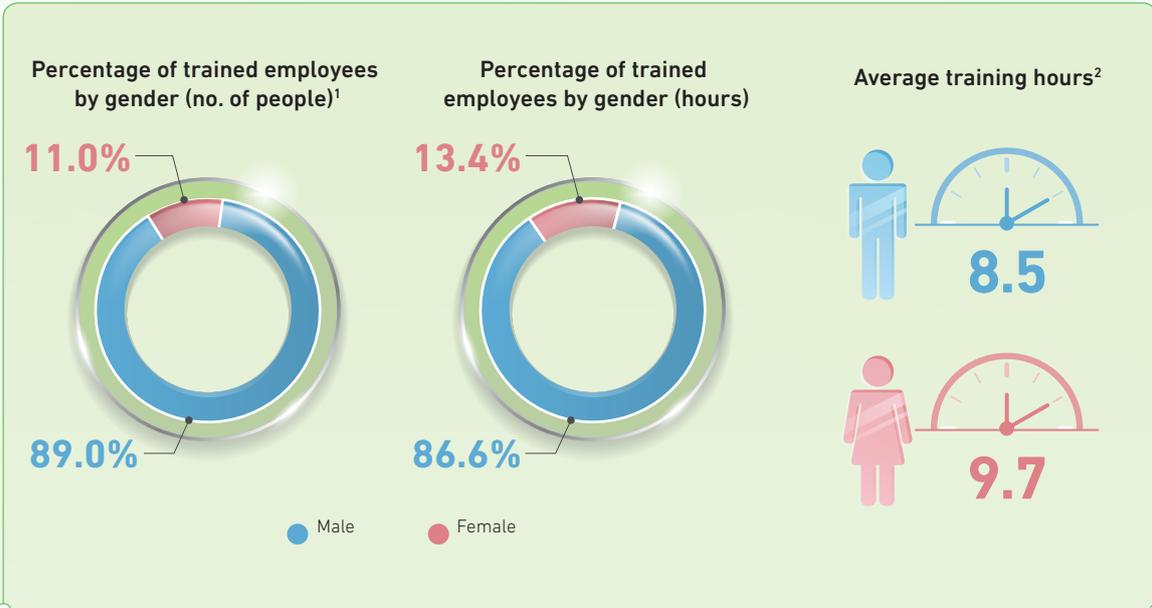
Xinyi Glass is committed to “deploying”, “nurturing” and “retaining” human resources, which are an intangible asset of the Company. The Group adheres to the principle of “internal nurturing” and adopts the “rolling in and out” approach to carry out circular training, which means that once a reserve talent is lost, promoted, transferred, etc., the talent pool will be replenished in a timely manner, including the training plan for management cadres, the talent echelon construction plan, the multi-skilled workers cultivation plan and other plans. In addition to the development of nurturing plans and training programs, the Group also has a dynamic management of the reserve talent pool to determine whether the employee will be promoted through different assessments.

Furthermore, based on the internal Training Plan Management Procedure, the Group has established an annual training plan, which is mainly divided into internal lecturer training (which is taught by senior employees internally accredited with titles) and external training. It is managed according to two processes, namely Internal Lecturer Evaluation and Management Process and External Training Management Process, respectively.

In 2022, a number of training programmes were held on different topics and a series of trainings with the theme “safety” were made, these include Drill on Emergencies of Social Security Nature, Training on Safety Knowledge of Family Quarters, Training on Contingency of Disruption of Electricity Supply for the Whole Factory, the Semi-annually Training on the Analysis of Safety Incidents. Other training programmes held are focus on work specialty, which include Learning Skills on Technological Drawings, How to Start and Operate the Reserve Denitrification System, and the rectification of glass ribbon breaking during annealing process, and skills on professional ethics and career skills, including Training on Integrity System, Training on Knowledge Related to Anti-Fraud, and Management on Staff Relationship. Diversified training content enables employees to acquire work-related knowledge as well as developing their personal ethics and character and nurturing their problem-solving abilities. The comprehensive training resources and the learning environment enable the staff to learn more efficiently, helping them to innovate constantly and preparing a pool of talents for future development.

In 2022, the Group’s total number of training hours amounted to 126,667 hours and the average number of training hours per employee was approximately 8.4 hours. The percentage of employees trained was 100%. The annual cost for training amounted to approximately RMB1.92 million. By rank and gender, for the percentage distribution of each category, please refer to the diagram below.

RATIO DIAGRAM OF TRAINED EMPLOYEES BY GENDER



¹ Employees by relevant category = number of employees trained in category x/employees trained * 100

² Average training hours for the relevant category of employees = total training hours for the specific category of employees/number of employees in the specific category

TRAINING ACTIVITIES IN 2022 (EXCERPT)





“SAFETY FIRST” PRINCIPLE FOR PRODUCTION MANAGEMENT

Xinyi Glass proposes “safety is the overriding priority” rationale, and has formulated the Safety Management Manual, the Safety Management System, etc. as the internal operating procedures in accordance with the Law of the People’s Republic of China on Production Safety, the Law of the People’s Republic of China on the Prevention and Treatment of Occupational Diseases, the Measures for the Administration of Contingency Plans for Work Safety Incidents, the Regulation on Emergency Responses to Work Safety Accidents, the Occupational Safety And Health Act 1994 and other relevant laws in the various regions. Also, the Accident Reporting Process, the Work-related Injuries Handling Process and the Emergency Plan for Production Safety Accidents, Risk Identification and Assessment Report, Emergency Resource Investigation Report have been prepared after the occurrence of accidents (please refer to the following table for some of the relevant laws and regulations).

Our industrial parks have obtained the certification of ISO45001 occupational health and safety management system.

Certain relevant regulations are as follows:

 Laws related to The People’s Republic of China	
Law of the People’s Republic of China on Production Safety	Labour Union Law of the People’s Republic of China
Labour Law of the People’s Republic of China	Regulations on the Administration of Labour Protection Products
Fire Protection Law of the People’s Republic of China	Regulations on the Reporting, Investigation and Handling of Work Safety Accidents of the People’s Republic of China
Work-related Injuries, Occupational Diseases and Disability Grading Standards of the People’s Republic of China	Administrative Measures on Emergency Plans for Production Safety Accidents (Order No. 2 of the Ministry of Emergency Management)
Regulations on Work-related Injuries Insurance of the People’s Republic of China	Regulations on Social Work-related Injuries Insurance of Guangdong Province
Emergency Regulations on Production Safety Accidents (Order No. 708 of the State Council of the People’s Republic of China)	Regulations on Safe Production of Guangxi Zhuang Autonomous Region
Regulations on Social Work-related Injuries Insurance of Guangdong Province	Measures on Safety Contracting and Assurance Responsibility System for Major Hazards of Dangerous Chemicals (Trial)
Law of the People’s Republic of China on the Prevention and Treatment of Occupational Diseases	Criteria for Determination of Hidden Dangers of Major Production Safety Accidents in Industrial Trading
 Laws related to Malaysia	
The Occupational Safety and Health Act 1994	

ORGANIZATION STRUCTURE OF XINYI GLASS SAFETY COMMITTEE



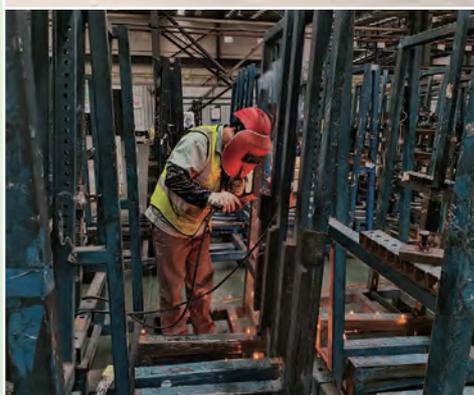
In 2021, the Group established Xinyi Glass safety committee (hereafter referred to as: Xinyi Glass safety committee) and Xinyi Glass safety committee office (hereafter referred to as: Xinyi Glass safety committee office) in accordance with the Law of the People’s Republic of China on Production Safety, to promote safety management concept of “people-oriented, caring for life, cherishing health” based on the “red line” principle that safety is the overriding priority, which effectively prevented production safety accidents and improved level of systematic management of safe production. Being the leading and decision-making institution of safety management of Xinyi Glass, Xinyi Glass safety committee is supervised and authorized for implementing specific works by chief executive officer of Xinyi Glass. The specific works include safe production target, staffing level and qualification and capability nurturing, projects implementation plan and detailed scheme and working management strategy adjustment. Xinyi Glass safety committee formulated safety assessment scheme to conduct supervision and inspection, rectified and improved measures through examination, supervision and guide, safeguarding the effective implementation of safety management target and plan, consolidating and refining original work of safety office, thus satisfying safety management principles of “safety first, laws and regulations compliance, planning and coordination, hierarchical administration, local responsibilities, full participation, diligence to duty”.

The Safety Office takes full responsibility for the Company's safe production management and promotes implementation of work arrangement of Xinyi Glass safety committee and safety committee office. It is responsible for safety management on personnel within working scope and daily management on fire safety and occupational health. It keeps effective communication and coordination with local emergency management, fire safety management and occupational health management departments and safeguards investment in safe production and emergency management. In addition to conducting conclusion and deployment for current safe production work through regular meetings and seminars, it organizes and participates education, training, and emergency rescue drill of safe production. Meanwhile, it will patrol production situation of industrial park, put forward highest potential safety hidden dangers and correct those default operation. It will strictly supervise "three violations" and follow principle of "four necessary focuses" (四不放過), to organize or participate in investigation and analysis, find out reasons and provide suggestions and improvement measures for relevant behaviors and problems.

In case of safety accidents during production, production safety accidents due to non-compliance operations, violation of regulations, violation of labour discipline, risky operations, etc., or production safety accidents due to poor working environment, absence of rectifications on equipment safety hazards, and non-elimination of adverse factors, etc., the Group will rank the direct economic losses caused by accidents (excluding work-related accidents) and work-related accidents, which will be handled according to the grades from "minor production safety accidents" or "minor work-related accidents" of level I to "special major production safety accidents" or "special major work-related accidents" of level V. If there are "major production safety accidents" or "major work-related accidents" of level III, officers from the Safety Office will conduct investigation and submit to the management for confirmation. If an accident reaches level IV or above, the person in charge of the safety production committee will form an independent investigation team consisting of personnel from different systems and professionals and make a final opinion on the accident.

For employees working at the production workshops, the Group provides them with labour protective equipment and supplies, including helmets, dust-proof masks, safety gloves and safety shoes, etc. There are also safety slogans and relevant warning signs placed around its industrial parks. Pinpointing some special risk stricken area, there are different warnings placed. For example, there is dust occupational hazard notification card placed at raw material workshops and high temperature occupational hazard notification card placed in front of the furnace to remind employees of the relevant risks so that they can prepare themselves with different levels of protection. In addition, real-time surveillance and monitoring has been installed and emergency response measures have been in place in flammable or explosive sites and toxic and hazardous premises such as natural gas rooms and petrol stations. Large-scale auxiliary tools with high usage such as trucks and forklifts are regularly inspected and examined to ensure their proper operation.

The Group formulated monthly performance assessment system by designated safety officer in 2022. The implementation of daily key works of each industrial park are being tracked monthly, and each company are instructed on commencing works and formulating work requirements through regular meeting organized by the safety committee office of the Group. By integrating the monitoring and inspection carried out in previous stages, in the same year, the safety committee office of the Group amended The Details on the Management and Assessment of the Works of Designated Safety Officer, and published Monthly Performance Assessment Form for Designated Safety Officer and Key Working Requirements on the Monthly Safety Management of the Safety Committee Office of the Group. Works are carried out around five aspects, namely incident management, safety training, the elimination, inspection and handling of hidden dangers, contingency management and work deployment, details of assessment are formulated and designated safety management personnel are urged to implement daily safety management works. During the "Safety Production Month" held in 2022, 1,332 hidden danger issues are being discovered and inspected, and all of them have been rectified. In addition, 300 contingency drills were being held, more than 9,500 people participated in these drills.



SOCIAL

The Group also conducts annual welfare-based physical check-ups for the staff and occupational health check-ups for personnel who are exposed to occupational hazards to ensure their health. All the new employees need to take 3 levels of pre-job training, accident case study and regular training, so that new employees have the safety awareness of their scope of work. For the existing staff, they are required to watch accident demonstration videos and sharing of accident case studies where appropriate for the safety knowledge. The Group also conducts fire and other emergency drills every year to equip all the staff with the necessary knowledge for handling emergency crisis. Smoking is strictly prohibited in the areas of both office and production workshops in order to create a healthy, safe, clean and comfortable working environment.



THE BUILD UP OF BRAND AWARENESS TO ENHANCE “AWARENESS ON PROTECTION OF INTELLIGENT PROPERTIES”

Xinyi Glass is committed to producing quality glass and attaches great importance to product quality and reputation. All products are produced in accordance with national standards and laws, including the National Standard for Flat Glass, National Standard for Coated Glass, National Standard for Tempered Glass and Emission Permit, etc. The Group has developed an internal Quality Control System for inspection and has successfully obtained various domestic and international certifications, including IATF16949, ISO14001, ISO45001, ISO50001, BSI tempered and laminated certification, BSI insulating certification, SGCC certification, US DOT standard, Australian product certification, European Community ECE standard and China 3C standard, etc. We have also purchased liability insurance for our products. In the past, the Group was awarded the China Quality and Integrity Enterprise by the China Entry-Exit Inspection and Quarantine Association, China Well-known Trademark by the Trademark Bureau of the State Administration for Industry and Commerce, and Shenzhen Famous Brand by the Shenzhen Famous Brand Committee, etc. In 2022, the Group continued to be recognised as Excellent Supplier, Excellent Cooperation Partner and Strategic Partners by many customers, which proves the high quality of the Group’s products and the good cooperative relationships with our customers.



Products to be recalled due to quality in 2022 (in terms of quantity) accounted for approximately 0.09% of the products sold, representing a relatively significant decrease than that of 2021, mainly due to breakage, scratches, burst edges, etc. Before shipment, final inspection is carried out on all goods by the quality control department according to the standards required by the customer and under the Quality Management Procedure. In addition, the internal procedures of Product Audit Management Procedures and Quality Record Management Procedures can effectively guide the product audit work in the Company, ensure the orderly development of the audit work, and reflect the system problems, key problems and longer-term quality trends through the audit in a timely manner to avoid or prevent defective products from being delivered to customers. At the same time, the internal Product Identification and Traceability Management Procedures enables employees to identify product specifications, models and production status more quickly, and facilitates the tracing of quality problems in the processes of receiving, production and delivery of products, so that problems can be detected more quickly.

All complaints received by the Group in 2022 amounted to 6,723 in total, its internal guidelines such as the Customer Complaint Handling Routine, the Quality Complaint Handling Routine and the Product Management Procedure for Customer Returns have standardised the after-sales service procedures. Upon receipt of a complaint, the complaint will be verified and confirmed, and if the customer misuses or does not know the relevant characteristics of the product, it shall be explained to the customer to eliminate the customer's concern. In case of confirmation of non-product issues, reply to analyse and explain the status of the event, explain the handling results to the customer, and try to let the customer to understand and satisfy; if it is confirmed that it is a product issue, it will be dealt with according to the severity of the complaint (general complaint and serious complaint), and if it is judged that the product is not up to standard, we will deliver new products to customers. The complained product problems are reported back to the relevant production department, and the problems are analyzed and rectified, quality analysis meetings on complaints are regularly held, process improvement are conducted, relevant personnel are trained and at the same time, the effectiveness of related measures will be tracked to avoid the same problem again. In addition, according to the Customer Satisfaction Survey Management Procedure, satisfaction surveys are distributed to customers twice a year to understand their opinions on goods and services. At the same time, our sales staff will also rate objective factors such as on-time delivery, customer complaint rate and return rate in order to continuously improve our services and product quality.

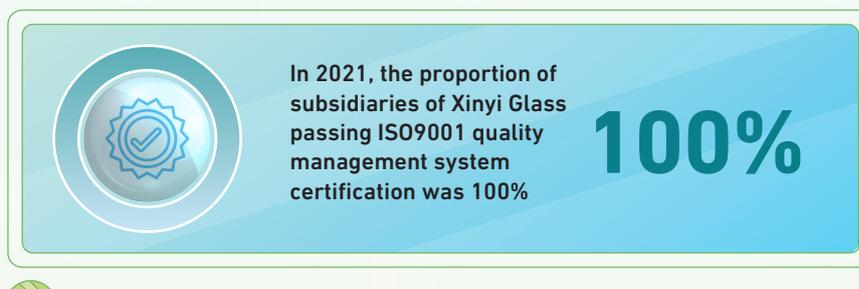
SOCIAL

The Group has formulated relevant internal policies for the protection of customers' and their companies' information in accordance with the Archives Law of the People's Republic of China, including the Customer Property Management Procedures, Document Management Procedures, New Customer Account Opening Procedures and Procedure for Protecting Confidential Information and Ownership of Client. All information and files will be managed and stored at different levels, and the file management personnel must be trained to learn relevant knowledge. Without the consent of the customer, the design drawings and product drawings cannot be borrowed or copied to others. In addition, the process of verification, storage and maintenance of customers' and suppliers' properties is under control and in strictly confidential manner to prevent damage or loss and to standardize and manage customers' properties in a unified and effective manner.

The Group attaches great importance to the protection of intellectual property rights, has continued to follow up on compliant cases of infringement of the Group's intellectual property rights. The Group has set up a reporting phone number and email address to encourage the public to report suspected infringements, and all complaints are always followed up by the department. On the other hand, the Group incorporated the patents obtained into the employee's title assessment, and all successful patents will be rewarded with a one-time bonus to the employees as an incentive. The Group successfully applied for 1,028 patents in 2022, a significant increase of 22.5% as compared to last year. In addition to demonstrating the Group's commitment to the protection of intellectual property rights, the Group also educates its employees on the importance of intellectual property rights.

SAFEGUARDING THE SUPPLY CHAIN

Xinyi Glass has developed and implemented the Procurement and Outsourcing Management System, the Supplier Integrity Agreement, the Supplier Delivery and Outer Packaging Management Process and the Supplier Development and Management Program and other related processes for all potential and existing suppliers, all suppliers must be monitored by Supplier Management Process, and their non-quality system elements are being regularly assessed, which include system elements involving environmental elements. Among which the material suppliers of automobile glass are required to pass ISO9001 certification and the Group attaches increasing importance to green development and prefers to give priority to those with quality system, environmental system and other related certifications to ensure the normal operation of production, lowering the procurement cost and improve supply chain management, aiming to carry out standardized and professional procurement on the Group level to achieve resources sharing and the allocation of materials across the companies. All procurement activities involve the signing of agreements and contracts, and the performance of the contracts is strictly monitored, and the payment of funds is strictly controlled.



Sustainable Supply Chain

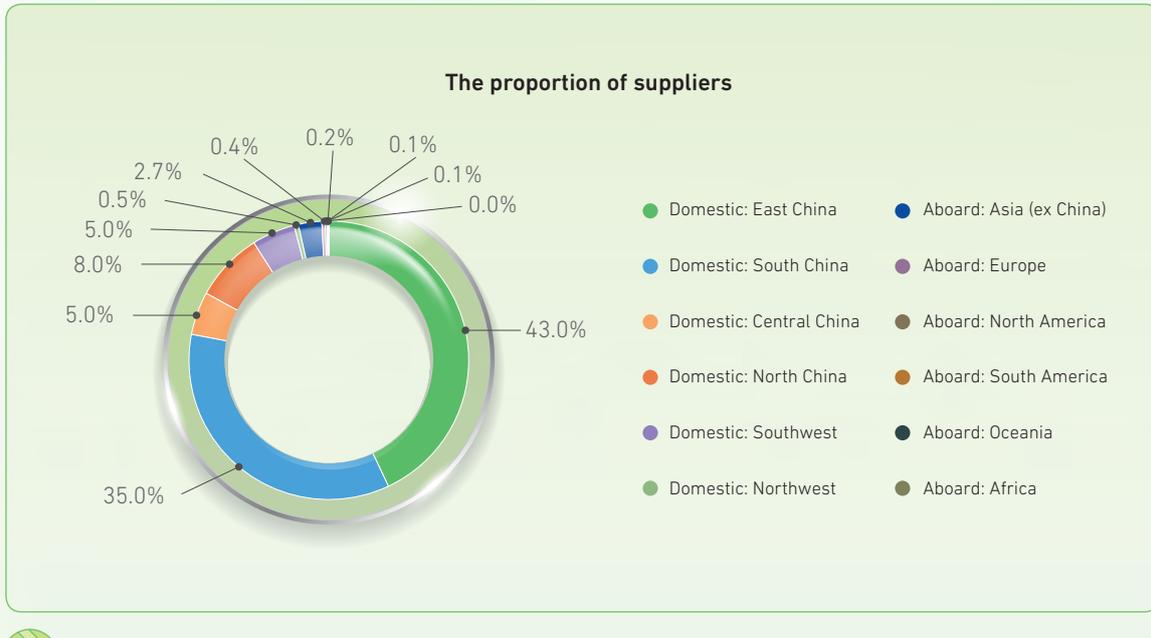
Potential suppliers are managed by the Supplier Development and Management Process. After receiving information on new supplier development, the procurement staff will conduct investigation, on-site audit, review and rectification, and development of sample presentation on the newly developed suppliers before they are finally included in the operation process of qualified suppliers. All qualified suppliers are required to comply with the Supplier Management Process, and Xinyi Glass has formulated internal guidelines, such as the Breakdown of Supplier Quarterly Appraisal and the Standards for Regular Assessment of Qualified Suppliers. All qualified suppliers shall comply with all national laws, including labor laws, and shall be internally assessed by various relevant departments based on six main criteria of competence, business, quality, delivery schedule, service and quality system, in order to regularly update the supplier list and monitor the quality and consumption of raw materials, accessories and other materials. According to the Procurement Management Process of the Company, during the procurement process, the procurement staff shall determine whether there are qualified suppliers meeting the material requirements, make inquiries with several suppliers from the qualified suppliers list that provide such materials, then list the strengths and weaknesses of these suppliers based on several criteria, and finally select the suitable suppliers and determine the purchase price. The contract (including the quotation) shall be submitted to the finance department to establish a procurement contract handover form with the finance department and shall also be signed by both parties for confirmation. If there is any change in the price, the supplementary agreement signed shall also be submitted to the finance department in accordance with the above requirement. If the purchased materials are toxic, hazardous, flammable and dangerous, they shall comply with the requirements of relevant laws and regulations.

The Group intensifies its monitor on those suppliers that pose potential risks to the environment, including hardware suppliers, rubber suppliers and composite material suppliers, all of which may cause water and air pollution, and the relevant suppliers are required to provide IATF16949 and ISO14001 certifications on a regular basis to prove their compliance with environmental standards.

A Transparent and Open Procurement Environment

As the Group aims to establish a sound anti-commercial bribery mechanism that remains effective in a long term, all existing and new suppliers are required to sign the Supplier Integrity Agreement. The Group is committed to establishing a transparent and fair procurement environment for suppliers, and suppliers are not allowed to engage in any form of bribery, and if it is found, the Group reserves the right to prosecute the relevant parties for commercial bribery offences. The Agreement also requires the supplier to undertake not to bid nor infringe the Group's intellectual property rights. Meanwhile, the Agreement provides a variety of methods for reporting corruption and other activities in order to create a clean and fair environment.

In 2022, the Group's suppliers were mainly domestic suppliers, accounting for 97%, while foreign suppliers accounted for 3%, the proportion of domestic suppliers has been increased by 8%. Both domestic and foreign suppliers will be screened and managed based on the above-mentioned procedures, and strict measures will be taken to ensure that all aspects of the supply chain are up to standard and safe.



STRICTLY ABIDE BY “RED LINE AWARENESS”

Integrity is the redline of Xinyi that nobody can cross. The dedicated Xinyi Internal Control Centre directly managed by the Chief Executive Officer was established by Xinyi Glass to handle the anti-corruption matters of the Group based on the “prevention first, supplemented by investigations” approach. Through a series of measures and audits, the Group exercised full effort in anti-corruption, advocating that all staff members should put the philosophy of integrity, honesty, fairness and compliance into practice in their daily lives.

Strengthening the Anti-corruption Mechanism

The Internal Control Centre has developed internal codes of Integrity System for Xinyi Employees and conduct guidelines including Ethical Conduct Standards for Xinyi’s Staff, Top 10 Integrity Rules for Xinyi’s Staff, etc., as well as reward and liability systems such as Xinyi’s Whistle Blower Protection and Reward System according to the relevant laws and regulations of the PRC including Criminal Law of the People’s Republic of China – Bribe-Taking Crime of Non-State Functionaries, Criminal Law of the People’s Republic of China – Bribery Crime of Non-State Functionaries, Criminal Law of the People’s Republic of China – Crime of Fraud and Criminal Law of the People’s Republic of China – Crime of Misappropriation of Public Funds. These encourage the suppliers, other collaborative units and Xinyi’s staff to supervise each other and actively report non-compliant matters such as corruption and duty crime, thereby protecting the legal rights of the enterprise and the employees. It is ensured that all staff members understand the significance of honest and ethical conduct and put it into action. In 2019, the Group set up the “Integrity Xinyi” on WeChat to promote anti-corruption and share important information. Staff can report, in ways of letter, email, telephone calls and WeChat, misconduct of any staff, including any breach of duty, dereliction of duty, abusing power for personal gains, receiving bribes, and encroaching company assets, to the Internal Control Centre, and the matter will then be handled upon investigation, collecting evidence, verification and drawing a conclusion in accordance with the Handling Process of Corruption Cases. Our strict systems show our zero tolerance towards bribery and corruption. In 2022, the Group identified and handled three cases of corruption, which have been handled by relevant parties according to the corresponding mechanism.

In order to enhance the internal mechanism, the Group established the Xinyi Group Real-Name Whistle-Blowing System for Corruption Cases in 2020. Employees whose employment contract was terminated because of the breach of the Xinyi Group Integrity Management System, providing or taking kickbacks or bribery, misappropriation and other work-related crimes, and whose cases were reported to the police with the enforcement of relevant measures and adjudicated, will be announced via intra-group emails and posting documents, as well as via the WeChat Public Account and the official website of the Group. This is to report to the society to raise the vigilance of the public. Upon approval by the senior management, the cases will be officially reported to industry association and our partners when necessary.

The new edition of the Management System of Conflict of Interest published by the Group in 2020 includes the scope of declaration, approval procedures for conflict of interest, as well as additional time requirement for the declaration of conflict of interest. This system is applicable to directors (including executive directors and non-executive directors), supervisors, senior management (including vice presidents, general managers, deputy general managers, assistants to general manager) and other personnel in key positions (including department manager, assistants to department manager, purchasers, warehouse keepers, salespersons, cashiers, custom declarers, human resources specialists, recruitment specialists, training specialists, back office managers, exhibition managers, all personnel of the Research Institute of Glass Production in Wuhu and other employees who need to declare conflict of interest), so as to maintain integrity and fairness in our work environment.

With a view to promoting the importance of integrity among the Group, the Internal Control Centre conducted integrity inspection and promotion in 2022, with a theme of integrity system learning and whistle-blowing, conducted 30 integrity trainings for key positions and the number of employees trained were over 2,800, covering ordinary employees and executive directors, and motivated employees to attach greater emphasis to integrity culture.

Whistle-blowing methods are as follows:

1. Follow the WeChat Public Account of "Integrity Xinyi" and choose to report online
2. By phone at 0553-2660777 or 15178586699
3. By email at 12388@xinyiglass.com

Please watch the following video about integrity for further details of the Integrity Code:
<https://v.qq.com/x/page/u0818crpbeh.html>



COMMUNITY CARE

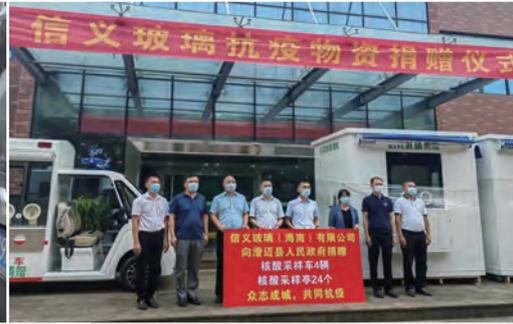
Since the foundation in 1988, Xinyi Glass proactively undertakes the responsibility of helping the poor and needy in the long term. The Company is committed to community and charity works, where its corporate value is striven to be brought into play. The Group makes donations enthusiastically in China for education, culture and health, transportation and environmental protection, poverty and disaster relief, social security, righteous and brave acts, etc. in philanthropy. As a member of the local community, Xinyi Glass always insists on the concept of giving back to society and plays an active role in public welfare undertakings. The Group has encouraged its staff to make positive contributions to public welfare, education, disaster relief and environmental protection with actions for the local communities. In accordance with the Management System of Request and Reporting formulated internally by the Group, the community organizations and activities on donation and sponsorship to be joined by each industrial park must be reported to the management committee of the Group or directors of the Company, and such activities could be joined only approval from management committee of the Group or directors of the Company is obtained. Since 2020, under the influence of the COVID-19 pandemic, the number and scale of community activities organised were reduced as compared to previous years and the number of participants was limited. As a result, the number of participating employees and hours involved were about the same as in 2021, recording a total of 102 employees and over 404 hours participating in community activities held by their Industrial Parks, including different types of activities such as Fire Prevention Promotion Day, career skills competition and urban construction.

In 2022, the Group's charitable donations totaled HK\$9.837 million. In addition, the "Guangxi Xinyi Tongxin Charity Fund" ("Charity Fund") ("廣西信義同心慈善基金" (簡稱"慈善基金")) established by the Group in Guangxi in 2018 also played an important role in the past. Beihai Xinshan Wood Based Products Co., Ltd. ("Xinshan Wood") (北海信善木材製品有限公司 (簡稱"信善木材")), which was donated by the Group to the charity fund earlier, is already in operation. Most of the Xinshan Wood's profits will be used for social charities. Xinyi has invested about RMB 50.00 million in Xinshan Wood. In 2022, Xinshan Wood has an output value of RMB 70 million. The foundation has participated in the rural revitalization work, and has donated RMB 970,000 in total for the year.

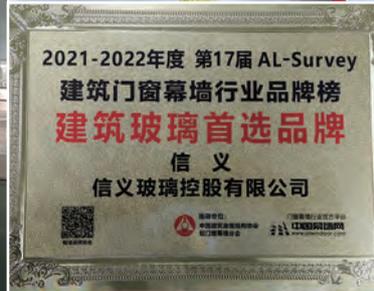
Most of the donations in 2022 were utilised in epidemic prevention and control, projects were mainly located at the neighbourhood of the Industrial Parks. All projects and amount sums have to be approved and confirmed by relevant local authorities. The Group tried their best to return to the community in all aspects. Thus, there will be mutual understanding and assistance between the Industrial Parks and the community.

Other than its external contribution, the **Caring Fund** under each labour union is operated in accordance with the Caring Fund Management Code 2017. Based on the main principles of "helping those in need but not the poor; transparency and openness; reporting to the superior level; collaborative decision-making", the fund assists the staff and their families who are in need and shows the spirit of mutual support. In 2022, more than RMB 1.37 million was used in total, benefitting 194 employees, the amount of donation and the number of beneficiary were higher than that of 2021.

PARTICIPATION IN COMMUNITY ACTIVITIES IN 2022









2022 AWARDED PRIZES (Excerpt)

TIME OF AWARD	NAME OF AWARD/HONOUR	AWARDING BODY
JANUARY 2022	Excellent Cooperation Unit	Guangdong Runcheng Construction Group Limited
FEBRUARY 2022	Dongguan City Benefit Contribution Award 2021	CPC Dongguan Committee, The People's Government of Dongguan
FEBRUARY 2022	Outstanding Contribution Award	The Management Committee of Yangtze River International Metallurgical Industrial Park of Jiangsu
MARCH 2022	Preferred Brand of Architectural Glass	Aluminum Door, Window and Curtain Wall Branch of China Construction Metal Structure Association (CCMSA) (中國建築金屬結構協會)
APRIL 2022	Champion of Seed Enterprise of Individual Event	Tianjin Industry and Information Technology Bureau
JUNE 2022	Specialised New Small and Medium Enterprise	Tianjin Industry and Information Technology Bureau
JUNE 2022	"Jiangmen Rhododendron Charity Donation Special Contribution Award" 2021	Jiangmen Municipal People's Government
JUNE 2022	"Heshan Charity Special Contribution Award" 2021	Heshan Municipal People's Government
JUNE 2022	Top 30 Industrial Enterprise of 2021	Party Working Committee the Chinese Communist Party of Wuhu Economic and Technological Development Zone The Management Committee of Wuhu Economic and Technological Development Zone
JUNE 2022	Top 20 Tax Contribution Enterprise of 2021	Party Working Committee the Chinese Communist Party of Wuhu Economic and Technological Development Zone The Management Committee of Wuhu Economic and Technological Development Zone

SOCIAL

TIME OF AWARD	NAME OF AWARD/HONOUR	AWARDING BODY
JUNE 2022	Top 20 Tax Contribution Enterprise of 2021	Party Working Committee the Chinese Communist Party of Wuhu Economic and Technological Development Zone The Management Committee of Wuhu Economic and Technological Development Zone
JUNE 2022	First Prize of Outstanding Enterprise for Industrial Economic Development in 2021	Office of the People's Government of Deyang
JUNE 2022	Advanced Collective on Veteran Affairs	The Leadership Group on Veteran Affairs of the Party Working Committee of Deyang Economic and Technological Development Zone
JULY 2022	Specialised New "Little Giant" Enterprise	Ministry of Industry and Information Technology
JULY 2022	"Specialised New" Small and Medium Enterprise of Hainan Province	Department of Industry and Information Technology of Hainan Province
SEPTEMBER 2022	Shenzhen Top 500 Enterprise (Ranked No. 43)	Shenzhen Enterprise Confederation, Shenzheng Entrepreneur Association
OCTOBER 2022	Role Model in Social Responsibility of 2022	The Research Institute of China Corporate Governance, The Rural Revitalization and Cooperation and Exchange Bureau of Shenzhen, Shenzhen Media Group, Hong Kong Commercial Daily
OCTOBER 2022	2022 Sanitation Workers Festival - Caring Enterprise	Urban Administration and Law Enforcement Bureau of Shenzhen Municipality, Beautiful Shenzhen Foundation
OCTOBER 2022	"The Most Caring Donation Enterprise (Unit)" of The Fifth "Suzhou Charity Award"	The People's Government of Suzhou
OCTOBER 2022	High and New Technology Enterprise	Department of Science and Technology of Anhui Province, Department of Finance of Anhui Province, Anhui Provincial Tax Service
NOVEMBER 2022	2021 Outstanding Contribution to Steady Growth of Foreign Capital of Suzhou Award	The People's Government of Suzhou
NOVEMBER 2022	2021 Special Contribution of Foreign Capital of Suzhou Award	The People's Government of Suzhou



APPENDIX I: METHODS FOR CALCULATING EMISSION DENSITY OR CONSUMPTION DENSITY

1. FLOAT GLASS:

Emission intensity = emissions/float glass output

OR

Consumption density = consumption/float glass output

The float glass output is the production of the raw float glass sheet, and the coating glass output processed by its own raw float glass sheets is not double counted. The coating glass is used as one of the production processes to avoid duplicate calculations of the glass output.

2. AUTOMOBILE GLASS:

Emission density = emission/automobile glass output

OR

Consumption density = consumption/automobile glass output area

Automobile glass output area is the actual glass area, that is, the single-piece glass is calculated in a single piece of area, and the laminated glass is calculated in the number of single-piece area multiply the glass layers. This calculation method can truly reflect the changes in the energy consumption of various industrial parks and the density of greenhouse gas emissions, and avoid fluctuations in the calculation results caused by the changes in product structure of various industrial parks in different periods;



*APPENDIX I:
METHODS FOR CALCULATING EMISSION
DENSITY OR CONSUMPTION DENSITY*

3. ARCHITECTURAL GLASS:

Emission density = emissions/architectural glass output

OR

Consumption density = consumption/architectural glass output

Architectural glass output is the weight of glass output, and the calculation of glass weight can be truly reflected in the accuracy of the results. Because with the safety of architectural glass and energy-saving requirement, the product structure is diversified, and the proportion of double-layer, triple-layer, and multilayer glass products is continuously increased. If product area is kept as the calculation method, changes in product structure will have a greater fluctuation effect on the emission density of greenhouse gas and the consumption density of energy.

APPENDIX II: REPORTING GUIDANCE INDEX

ESG KPI INDEX OF SEHK

ENVIRONMENT		
INDEX NO.	INDEX REQUIREMENTS	SCOPE OF THIS REPORT
A1: EMISSION	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	P.24-40
	A1.1 The types of emissions and respective emissions data.	P.29
	A1.2 Direct (scope 1) and indirect (scope 2) energy Greenhouse gas emissions in total (in tonnes) and, where appropriate, density (e.g. per unit of production volume, per facility).	P.32
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, density (e.g. per unit of production volume, per facility).	P.35
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, density (e.g. per unit of production volume, per facility).	P.38
	A1.5 Description of emission target(s) set and steps taken to achieve them.	P.24-33
	A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	P.33-40

APPENDIX II:
REPORTING GUIDANCE INDEX

ENVIRONMENT		
INDEX NO.	INDEX REQUIREMENTS	SCOPE OF THIS REPORT
A2: USE OF RESOURCES	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	P.41-46
	A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and density (e.g. per unit of production volume, per facility).	P.41
	A2.2 Water consumption in total and density (e.g. per unit of production volume, per facility).	P.44
	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	P.24, P.42
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	P.24, 44
	A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	P.46
A3: THE ENVIRONMENT AND NATURAL RESOURCES	General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.	P.19-23
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P.19
A4: CLIMATE CHANGE	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact the issuer.	P.17-18
	A4.1 Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	P.17

SOCIAL		
INDEX NO.	INDEX REQUIREMENTS	SCOPE OF THIS REPORT
Employment and Labour Practices		
B1: EMPLOYMENT	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	P.48-56
	B1.1 Total workforce by gender, employment type (e.g. full time or part time), age group and geographical region.	P.50
	B1.2 Employee turnover rate by gender, age group and geographical region.	P.50
	General Disclosure (a) The policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	
B2: HEALTH AND SAFETY	B2.1 Number and rate of work-related fatalities in the last three years (including the reporting period).	P.66
	B2.2 Lost days due to work injury.	P.66
	B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	P.61

APPENDIX II:
REPORTING GUIDANCE INDEX

SOCIAL		
INDEX NO.	INDEX REQUIREMENTS	SCOPE OF THIS REPORT
B3: DEVELOPMENT AND TRAINING	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	P.57-60
	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P.58
	B3.2 The average training hours completed per employee by gender and employee category.	P.58
B4: LABOUR STANDARDS	General Disclosure (a) The policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	P.48-49
	B4.1 Description of measures to review employment practices to avoid child and forced labour.	P.49
	B4.2 Description of steps taken to eliminate such practices when discovered.	P.49

SOCIAL

INDEX NO.	INDEX REQUIREMENTS	SCOPE OF THIS REPORT
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Operating Practices		
B5: SUPPLY CHAIN MANAGEMENT	General Disclosure Policies on managing environmental and social risks of the supply chain.	P.68-70
	B5.1 Number of suppliers by geographical region.	P.70
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	P.68
	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P.69
	B5.4 Description of practices used to promote environmentally preferable products and service when selecting suppliers, and how they are implemented and monitored.	P.69

B6: PRODUCT RESPONSIBILITY	General Disclosure (a) The policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	P.66-68
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	P.67
	B6.2 Number of products and service related complaints received and how they are dealt with.	P.67
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	P.68
	B6.4 Description of quality assurance process and recall procedures.	P.68
	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	P.68

APPENDIX II:
REPORTING GUIDANCE INDEX

SOCIAL		
INDEX NO.	INDEX REQUIREMENTS	SCOPE OF THIS REPORT
Operating Practices		
B7: ANTI-CORRUPTION	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	P.70-71
	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	P.70
	B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	P.71
	B7.3 Description of anti-corruption training provided to directors and staff.	P.71
B8: COMMUNITY INVESTMENT	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	P.72-78
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	P.72
	B8.2 Resources contributed (e.g. money or time) to the focus area.	P.72

APPENDIX III: FEEDBACK ON THE REPORT

FEEDBACK ON THE REPORT

Thank you for reading this report. The Group sincerely invites you to fill in the following form, so that the Group can improve the quality of the reports in the future and provide more targeted contents for you, and give full play to the effectiveness of the 2022 Environmental, Social and Governance Report of Xinyi Glass.

You may directly fill in the following questionnaire or scan the QR code on p. 88 to submit online questionnaire.

1. Your rating for the completeness and clarity of the data disclosed in Part A - "Environmental" session of this report.
(1 is the lowest, 10 is the highest)

2. Your overall rating for the related contents in Part A - "Environmental" session of this report.
(1 is the lowest, 10 is the highest)

3. Your rating for the completeness and clarity of the data disclosed in Part B - "Social" disclosures of this report.
(1 is the lowest, 10 is the highest)

4. Your overall rating for the related contents in Part B - "Social" session of this report.
(1 is the lowest, 10 is the highest)

5. Your rating for the Group's performance of environmental and social responsibilities.
(1 is the lowest, 10 is the highest)
A: Environmental _____ B: Social _____ C: Governance _____
6. Please refer to Appendix I: Reporting Guidance Index and indicate what you believe the most important to the Group
(1 is the lowest, 5 is the highest)

A1 Emission	
A2 Use Of Resources	
A3 The Environment And Natural Resources	
A4 Climate Change	
B1 Employment	
B2 Health And Safety	
B3 Development And Training	
B4 Labour Standards	
B5 Supply Chain Management	
B6 Product Responsibility	
B7 Anti-Corruption	
B8 Community Investment	

APPENDIX III:

FEEDBACK ON THE REPORT

7. Any other comments on the Group's work on environmental, social and governance.

8. Any other comments on this report.

9. As a stakeholder of the Group, you are _____.
- a. a customer b. the government c. an investor/a shareholder d. an employee e. a partner
f. a resident living close to the industrial park g. other: _____

After the completion of this form, please send back to:
Xinyi Glass Holdings Limited, Investor Relations Department

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Kwun Tong, Kowloon, Hong Kong

Tel: +852 3919 2888

Fax: +852 3919 2890

E-mail: ir@xinyiglass.com.hk

Thank you for your valuable opinion!





信義玻璃控股有限公司
XINYI GLASS HOLDINGS LIMITED