# Quality Culture Management Policy

1. Purpose

This policy aims to cultivate an advanced quality culture and enhance the quality management capabilities of all employees. By doing so, the Company seeks to continuously improve product, service, and operational excellence, thereby driving sustainable development and ensuring alignment with the State Council's Outline for Building a Strong Quality Country (2023).

2. Scope of Application

This policy applies to all functional departments, directly or indirectly wholly-owned subsidiaries, and directly or indirectly controlled subsidiaries of the Company (hereinafter collectively referred to as "Subsidiaries").

3. Definitions

3.1 Quality Culture

Refers to the shared concepts, values, behaviors patterns, and fundamental systems related to quality that are recognized and practiced by the Company and its employees.

3.2 Quality Values

The guiding principles and behavioral standards in terms of quality adhered to by the Company and all its members, forming the core of the Company's quality culture.

3.3 Quality Culture Development

A series of activities and processes undertaken systematically and purposefully to create, cultivate, develop, and optimize the quality culture, including planning and positioning, organizational management, systematic promotion, and measurement, evaluation, and improvement of the quality culture.

3.4 Quality Culture Development Maturity

The degree to which the process and outcomes of implementing quality culture development achieve the desired goals and corresponding effectiveness standards.

4. Quality Culture Positioning

Fuyao Group's core quality culture, in conjunction with the relevant provisions of the corporate culture under the Fuyao Group Core Culture System, is defined as follows:

4.1 Quality Vision: Pursue excellence to become a global industry benchmark.

4.2 Quality Mission: Provide ultimate products and services to global customers.

4.3 Core Quality Values: Zero tolerance for quality defects.

4.4 Quality Policy: Customer first, full participation, scientific management, pursuit of excellence.

4.5 Quality Behavioral Guidelines: The "Three Nos" and "Four Selves" behavioral guidelines.

"Three Nos": "No acceptance of non-conforming products, no production of non-conforming products, no transfer of non-conforming products." This concept originates from "zero defect management," ensuring that products and services are done right the first time through continuous quality improvement.

"Four Selves": "Self-initiative, self-reflection, self-correction, self-improvement." This concept originates from lean management, ensuring that work is done correctly the first time through continuous personal development.

4.6 The annual quality culture effectiveness targets shall be established by the Process & System Management Department based on the purpose and desired objectives of quality culture development, setting targets for quality culture measurement and evaluation.

5. Quality Culture Promotion

5.1 The Company actively promotes education and training on quality culture, integrating such efforts into the education and training programs of Subsidiaries, including:

5.1.1 The Human Resources Department of each Subsidiary shall include the core elements of quality culture in the annual training plans for all employees which including full-time employees, part-time employees, contract employees, etc. and shall effectively implement the training as planned.

5.1.2 The Quality Assurance Department of each Subsidiary shall adopt diverse, rich, and effective methods to promote quality culture, such as slogans, knowledge competitions, essay contests, and speech contests.

5.1.3 All departments shall utilize various communication resources and channels to disseminate and promote the quality culture. For example, through journals, forums, social media, and websites, the Company shall communicate and promote quality values, quality policies, quality behavioral norms, and other aspects of Fuyao's quality culture and its development to the wider community, including customers, employees, suppliers, government agencies, and distributors.

5.1.4 The Company fully leverages existing incentive mechanisms to stimulate and guide all employees' proactiveness and self-discipline in participating in quality culture development, igniting enthusiasm and

unlocking potential, thereby effectively promoting quality culture development activities and achieving employee growth and self-fulfillment.

5.2 Quality Culture Measurement, Evaluation, and Improvement

5.2.1 The Process & System Management Department shall develop the Fuyao Group Quality Culture Development Maturity Survey Questionnaire and organize the Quality Assurance Departments of each Subsidiary to conduct evaluations.

5.2.2 Using a sampling method, quality culture measurement and evaluation shall be conducted annually, covering Fuyao employees, customers, suppliers, distributors, and other stakeholders.

5.2.3 The Process & System Management Department shall compile the measurement and evaluation results, conduct comparative analysis and evaluation between actual performance and desired state, and produce quality culture measurement and evaluation outcomes.

5.2.4 Based on the quality culture measurement and evaluation results, the Process & System Management Department shall identify opportunities for improvement, define improvement measures, and drive the implementation of such improvements across Subsidiaries, ensuring the continuous development and optimization of Fuyao Group's corporate culture.

Fuyao Glass Industry Group Co., Ltd.